

Covert Operations, Overt Lies

Congress and the Public Came Second to Contra Cause

By R.W. Apple Jr.
New York Times Service
WASHINGTON — To the White House that Lieutenant Colonel Oliver L. North has pictured during his testimony this week, the world was an arena for unrelenting ideological struggle, where seemingly major questions were never asked and where much of the rest of official Washington was seen as thoroughly untrustworthy.

Colonel North portrayed himself as a main member of a little band of patriots which, despite immense obstacles, managed to keep alive the Nicaraguan insurgency. The band included pilots on clandestine missions; the director of central intelligence, William J. Casey, and a few private citizens.

They were effective, he testified, despite a bureaucracy that resisted their efforts, an executive branch that was full of critics of their tactics and a Congress that balked.

He expressed the slightest regret at his role in overriding opposition. He conceded that he and other staff members at the White House had systematically lied to and misled committees of Congress trying to discover what was going on; that made him "uncomfortable," he said, but he did it again and again.

Colonel North said that without "a handful" of brave people working under his general direction who kept American aid flowing to the contra rebels in Nicaragua, the contra would have disappeared during the period when Congress had banned direct or indirect military aid to the rebels — when, as the colonel said, "the Congress didn't care." Then he apologized for the last phrase.

The burden of his testimony was that he and his "superiors" — whom he assumed at the time to

include President Ronald Reagan — felt that American national security was at stake in the Nicaraguan operations, and that they were the sole competent judges as to what would best promote that security.

In the interest of furthering their policy, he suggested, it was legitimate to lie to Congress and the public.

In "a dangerous world," Colonel North said, there was no other way

NEWS ANALYSIS

to operate. There were, he said, "lies and lies," and he implied that it was preferable to lie to Congress than to risk leaks.

That infuriated Senator Daniel K. Inouye, Democrat of Hawaii and the chairman of the Senate investigative committee, who asserted that far more leaks had come from the executive branch of government than from Congress.

A particularly revealing exchange took place when Colonel North explained that the White House had tried to comply with the terms of the Boland amendment banning U.S. government involvement in providing military aid to the contra. But, he said, he and his colleagues had found it "very hard" to live up to the law.

What he did not say was that they found it hard precisely because they were trying to find ways — through the use of private citizens acting as the government's best — to do what Congress had sought to prevent, because they considered the congressional view wrong.

In a sense, Colonel North's sharp exchanges with John W. Nields Jr., the House committee counsel who conducted the interrogation, repre-

sented another chapter in the prolonged struggle, which dates back at least to the mid-1960s, over who controls American foreign policy.

He argued, as have presidents and other presidential aides, that the executive branch is supreme. Mr. Nields argued that Congress had a role as well and that the public had to know what was going on so that it could make intelligent decisions in the nation's elections.

But Colonel North pushed the argument to its limits. He could not or would not say where his orders came from, except to talk vaguely about "my superiors."

And yet he pictured himself as a kind of martyr in the anti-Communist cause, who had given his all, who had even been prepared to swallow a poison pill if need be, and yet could not even arrange government protection for his wife and family when, by his account, they were the target of Arab terrorists.

The Marine spoke in the language of the zealot. Those allied with him in his cause were "patriots," "freedom fighters," people who could cut through the niggling concerns of the bureaucracy. Those who opposed him were dupes or incompetents or worse.

His world view and that of his colleagues, as he pictured it, allowed no room for honest differences of opinion on strategy, on tactics, on honor or propriety. He described a black-and-white world, a world of melodrama.

Did he ever ask specifically whether Mr. Reagan approved of what he was doing? Did he ask for an accounting of what had happened to the proceeds from the Iranian arms sales?

No, he told the committee, he did not, because he was confident of the people he was dealing with.



Colonel North and his wife, Betsy, on their way to Thursday's hearings. It was Mrs. North's first day in attendance.

It was enough that Richard V. Secord, a retired air force major general, was a West Point graduate, Colonel North said. It was not necessary to ask him to explain what he had done with millions in arms revenues.

In the value system that the colonel described, explicitly and by implication, the very clandestineness of an operation sometimes seemed to be its justification. The nature of

clandestine operations, he argued, was untruth.

He appeared impervious to the notion, which Mr. Nields kept pressing upon him, that clandestine activities could be unwise or even illegal, even when those who had conceived them honestly thought otherwise.

That stance, it might be argued, is the root cause of the entire Iran-contra controversy.

Casey's Associates Say North Sounds Plausible On Genesis of Events

By Bob Woodward
Washington Post Service

WASHINGTON — Officials and sources who worked with William J. Casey say that Lieutenant Colonel Oliver L. North might have been right when he testified that the director of central intelligence was the guiding hand behind secret Iran-contra operations.

By Colonel North's account on Wednesday to the House and Senate committees investigating the Iran-contra affair, Mr. Casey was effectively his personal case officer from 1984, when the secret contra-supply operation took form, until early November 1986.

At that time, on the eve of public disclosure of the affair, Mr. Casey suggested that it was time to "get rid of things, clean things up."

The plan, the colonel said, was "almost drawn up" by Mr. Casey. Colonel North said that Mr. Casey had been fully informed about the plan, supported it and was "effusive" in praising it. Mr. Casey, he said, called the operation "the ultimate irony, the ultimate covert operation."

The colonel said he informed Mr. Casey in February 1986 of the diversion of profits to the contra. The officials and sources who worked with Mr. Casey said Colonel North's description was consistent with Mr. Casey's fierce anti-Communism, his secretiveness as CIA director and his willingness to circumvent the normal government bureaucracy. Several of these sources also noted that Mr. Casey, who died in May, is a convenient cover and scapegoat for Colonel North.

The other person Colonel North identified as intimately familiar with his work for the contra was Admiral Arthur S. Moore Jr., who was assistant to the chairman of the Joint Chiefs of Staff from 1983 until October 1985. Admiral Moore died of a heart attack in December.

Colonel North has acknowledged that he lied repeatedly — to the Iranians, to Congress and others — in what he deemed to be the higher national security interests of the United States and the need to achieve "plausible deniability" for the covert operations in which he was engaged.

Nonetheless, he has repeatedly insisted in two days of testimony that he is now telling the truth. Several of Mr. Casey's closest CIA associates said they could neither confirm nor refute Colonel North's claims.

An associate of Mr. Casey said, "There was never any way to tell everything Bill was up to."

Colonel North said Mr. Casey had a hand in many of his activities. For instance, he said, Mr. Casey suggested that he set up an "operational account" to handle cash expenditures to and for the contra, and provided the ledger in which he kept a record of every penny that went in and out.

This became the cash-all fund of \$175,000 for travel, payments to contra leaders and even, according to Colonel North, activities inside Nicaragua.

Colonel North, who ran this operation out of his third-floor office in the Old Executive Office Building, said "money was mailed from this account to addresses in Caracas, San José, Tegucigalpa, and San Salvador, among other places, to support activities inside Nicaragua."

He insisted that the traveler's checks from this account that he cashed represented reimbursements of advances he contributed to the fund. The ledger he kept would verify that, Colonel North indicated, but he destroyed it at Mr. Casey's suggestion in early November 1986, just a day or two after the secret Iran arms sales were exposed publicly.

Colonel North quoted Mr. Casey as telling him, "Get rid of things. Get rid of that book because that book has in it the names of everybody, the addresses of everybody, just get rid of it, clean things up." "When he told me to do so," Colonel North testified, "I destroyed it."

He said that Mr. Casey functioned as the personnel manager of the secret contra-supply operation, recommending in 1984 that he enlist a retired air force major general, Richard V. Secord, to run key aspects of the operation outside the government and beyond the oversight of congressional intelligence committees.

General Secord previously testified that he did not meet Mr. Casey until 1985, but at his first meeting, Mr. Casey said he knew much

about General Secord's background and work. General Secord declined to comment on Wednesday whether Mr. Casey had suggested him to head the private network.

In 1983 the CIA declined to give General Secord a security clearance. Two sources Wednesday questioned whether Mr. Casey would have recommended someone for a sensitive position who did not have clearance and whom Casey had not met personally.

Mr. Casey also functioned as intelligence officer for Colonel North, according to the marine officer's testimony. For example, he said, Casey told him that the key Iranian middleman, Manucher Ghorbanifar, was "an Israeli agent."

Colonel North said Mr. Casey warned him that his calls from the National Security Council staff office to Central America were being intercepted by the Soviet secret police from a Cuban listening post.

At another point Mr. Casey recommended that two contra arms brokers not be used because one might be transferring technology to East bloc countries and the other might have been involved in using U.S. economic aid funds to buy arms. Colonel North testified.

Mr. Casey also provided legal advice, according to Colonel North. The director, he said, told him that the National Security Council staff was not covered by the prohibitions of the so-called Boland amendment that restricted government support to the contra. In November 1986, Colonel North said, Mr. Casey recommended that he obtain a lawyer to handle a possible civil suit from the financiers involved in the Iranian arms sales.

Colonel North described an intimate relationship with Mr. Casey, who shared everything from books to advice. They traveled together and discussed expanding the covert network.

"Director Casey and I talked at length on a variety of occasions about the use of those monies to support other operations besides the Nicaraguan operation," Colonel North testified.

When Congress resumed contra funding as expected, Colonel North said, "it might be necessary at some point in the future to have something, as he would put it, to pull off the shelf and to help support other activities like that."

Israel Denies Any Role In Funding of Contras

JERUSALEM — Israel denied on Thursday suggestions by Lieutenant Colonel Oliver L. North at the Iran-contra hearings in Washington that it was Israel's idea to transfer profits to Nicaraguan rebels from U.S. arms sales to Iran.

"On the contra issue, we have stated before that we had nothing to do with it," a Foreign Ministry spokesman said. "Israel never sought, delivered, or transferred either funds or weapons to the contra."

In Rallies and Radio Polls, Americans Exclaim: 'We Love Ollie'

Compiled by Our Staff From Dispatches
WASHINGTON — Nearly 100 people, chanting "We love Ollie," rallied at the state Capitol building in Utah in support of Lieutenant Colonel Oliver L. North, while thousands of other Americans called him a hero and a patriot as he continued testimony on the Iran-contra affair.

"To many Americans, Ollie North is either the biggest hero in America or the biggest criminal," said Roger Mecham of Sandy, Utah, during the demonstration Wednesday in Salt Lake City. "I think he's the biggest hero."

Some Americans voiced reservations about the former National Security Council aide as his testimony before a congressional investigating committee entered its third day.

But most of those participating in call-in shows on radio and television backed the 43-year-old marine officer.

The chief White House spokesman, Martin Fitzwater, said Thursday that the White House switchboard had been "deluged with more calls than normal" since Colonel North began testifying Tuesday, with about 2,000 people ex-

pressing support for him and about 83 people voicing opposition.

Also Thursday, two men protesting U.S. support for anti-government rebels in Nicaragua disrupted the Iran-contra hearings by trying to unfurl a white banner and shouting at the congressional panel.

The session was suspended for 10 minutes after the protesters were seized by security guards and dragged from the chamber. The incident appeared to startle Colonel North, who was immediately surrounded by guards.

In Salt Lake City, Deborah Tho-

mason of Provo, Utah, said that Congress acted wrongly in barring military aid to the Nicaraguan rebels, and that Colonel North had tried to correct that mistake.

"He admitted he made some poor judgments, but he is still a patriot," she said.

In Florida, the Orlando Sentinel conducted a phone-in poll asking "Is Oliver North a hero or a villain?" By Wednesday evening, a majority of more than 5-1, or 3,925-783, said they felt that Colonel North was a hero, according to the editor of the newspaper's editorial page, Wendy Spirduso.

"We're getting a strong feeling from our readers that he was one of the few people in government who is preventing Communism from getting a foothold in Central America," Ms. Spirduso said. "Others say he was an innocent man just following the orders of higher-ups."

At Seattle's KING radio, a switchboard supervisor, Ellen Neel, said that dozens of listeners had phoned. "It's both ways," she said. "Some people want to give money to him, and I've had people call him names, to say the least." (AP, Reuters)



Kitty Dukakis discussing her dependency on diet pills.

Mrs. Dukakis Puts Secret in the Open

By Maureen Dowd
New York Times Service

BOSTON — When her husband found a bottle of her diet pills and confronted her in 1978, Kitty Dukakis told him she would stop using drugs. She tried but she could not. She just found better places to hide her pills.

In 1982, when Michael S. Dukakis found a receipt from a doctor for more diet pills and again asked his wife to stop, she knew she had to get professional help to break a habit that had become suffocating.

"I felt that everything I had ever done — every award or positive aspect of my life — had taken place as a result of amphetamines," she said as she sat in the book-filled living room of her home in suburban Brookline.

Mrs. Dukakis, 50, wife of the governor of Massachusetts who is now a Democratic presidential candidate, on Wednesday disclosed a painful secret she had kept for three decades: that she had been dependent on amphetamines for 26 years, until she entered a

treatment program and stopped using the drugs five years ago.

It was, even for a presidential campaign that has been shaped by personal disclosures and dark gossip, an extraordinary day.

She first told of her former habit while speaking at the Southwood Community Hospital in Norfolk, which was dedicating to Mrs. Dukakis its new unit for treatment of adolescent substance abuse.

As she talked, her husband, who is known for his reserve, cried. "It was 1956," she told the hushed crowd. "I was 19 years old. I wasn't fat but, like many women then and now, I worried about my weight. I went to a doctor who prescribed amphetamines. Other doctors continued to prescribe them over the years. Twice I tried to quit.

"Michael didn't know. I was already taking the pills when I met him. Pills are easy to hide and I hid them. But above all, I didn't tell my husband because I knew if I did, I would have to confront my dependency. I would have to stop. I was afraid I couldn't stop."

KOREA: 300,000 Protest

(Continued from Page 1)
Kim Dae Jung, one of the most prominent opposition leaders.

The move, one of the concessions announced last week, means that Mr. Kim apparently will be able to run for president in direct elections that the government has promised by February.

On Wednesday, the government released what it said was a majority of the political prisoners detained since President Chun Doo Hwan came to power in 1980.

The restoration of political rights to the dissidents, who had served sentences for a variety of offenses, and the release of 357 convicted dissidents Wednesday was the first important step toward fulfilling Mr. Chun's promise of amnesty for most political prisoners.

The day began with a huge march, almost a pageant, of several hundred thousand people mourning the death of Lee Han Yol, a university sophomore who died Sunday after he was hit in the head by a tear-gas grenade last month.

Local residents and foreign analysts said it appeared to be the biggest demonstration in South Korean history, rivaled only by the rallies in April 1960 that led to the resignation of President Syngman Rhee.

Meanwhile, in the southwestern city of Kwangju, Mr. Lee's hometown, up to 200,000 people participated in a funeral procession.

Though nominally organized to mourn the death of Mr. Lee, the demonstrations Thursday were clearly focused on attacking the government "down with the dictatorship" and "down with America."

Head of Senate Judiciary Committee Pledges to Lead Fight Against Bork

By Kenneth B. Noble
New York Times Service

WASHINGTON — Senator Joseph R. Biden Jr., chairman of the Judiciary Committee and a Democratic presidential contender, has assured those opposing the nomination of Judge Robert H. Bork to the Supreme Court that he would lead the fight against Judge Bork's confirmation.

The remarks were made at a private meeting Wednesday called by Mr. Biden to convey his position to leaders of civil rights groups, who are marshaling for an all-out battle to defeat the nomination.

Peter F. Smith, a spokesman for the Judiciary Committee, confirmed that Mr. Biden "intends to oppose the nomination and to lead the effort against it in the Senate." But the spokesman said the Delaware senator "does not plan to formally announce his opposition until he has a chance to spell out his

reasons in detail in a series of speeches, which he plans to begin next week."

The Judiciary Committee has jurisdiction over judicial nominations, and Mr. Biden announced Wednesday that hearings on the nomination would not begin until Sept. 15, almost assuring that the court will have a vacancy when the next term begins on Oct. 5.

The announcement drew an immediate protest from committee Republicans, who have been pushing for a final vote on the nomination before the new term begins.

When told of the decision not to begin hearings until September, Martin Fitzwater, the chief White House spokesman, said, "We hope they will reconsider, because we would sure like to start the new term with a full court."

Mr. Biden's assurances that he would oppose the nomination represented an important shift by the

powerful liberal Democrat that could add to pressures on uncommitted senators, presidential candidates and other prominent Democrats to take early positions on the Bork nomination. In the past, Mr. Biden has sought to avoid a politically and ideologically partisan approach to judicial nominations.

Some liberal and civil rights groups say that stopping Judge Bork's nomination will be their major priority of the Reagan era.

Judge Bork, who sits on the U.S. Court of Appeals for the District of Columbia, is known to have conservative positions on such issues as abortion, capital punishment and government aid to religious schools. It has been widely assumed that, if seated, he would tip the balance of the Supreme Court to the right for years to come.

A civil rights official who attended the meeting Wednesday said that Mr. Biden "considers the confirmation fight so important that he's willing to work on this, and not on the presidential campaign."

Mr. Biden, at a news conference, promised a "full and thorough and fair" review of Judge Bork's qualifications.

"This is probably the most significant Supreme Court nomination in the last several decades, and arguably in this century," Mr. Biden said.

A primary issue, Mr. Biden said, is whether the Reagan administration's agenda would be accomplished through the court, and whether Judge Bork had been picked to accomplish it.

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U.S. Bars Using Soviet Launches

The Associated Press

WASHINGTON — U.S. law prohibits the use of the Soviet Union's new commercial launching service to send into space satellites or other payloads that contain American technology, according to the State Department.

Companies in the United States have been advertising Soviet launch services as an alternative to the American space shuttle system. The U.S. system has been out of

service since the January 1986 explosion that destroyed the Challenger shuttle and killed seven astronauts.

The State Department said this week that Soviet officials involved in Moscow's commercial launch proposals had been "clearly informed of the longstanding prohibition on the transfer of U.S. space technology to the Soviet Union" and that "no change is contemplated."

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Herald Tribune

The Latin Untouchables

Panama and Haiti have abruptly become the most visible battlegrounds in a hemisphere-wide struggle between civilian democrats and military leaders who defy accountability. The "untouchables" in Panama is General Manuel Antonio Noriega, who rules through civilian figureheads. In Haiti, the junta leader is Lieutenant General Henri Namphy. But those are not the only sites of the struggle. From Argentina to Guatemala, military officers increasingly treat elected leaders on sufferance — a reality swept from view by a Reagan administration too eager to paint democratic gains in bold, sunny colors.

horrors past, like bombs exploded at offices of the ruling Radical Party in four cities and the murder of a leftist in Buenos Aires. When Argentine civilians are forced to retreat, the ripples reach distant Guatemala, where a Christian Democrat, Marco Vinicio Cerezo, heads the first civilian government since 1966. After 18 months, President Cerezo has yet to act on promises to carry out an inquiry into allegations of brutal massacres, especially of Indians. In El Salvador, another Christian Democrat, President José Napoleón Duarte, has stalled for three years on naming a commission he promised to inquire into mass killings. Salvadoran courts have not convicted a single officer for killing civilians, among them three American nuns and a lay worker. In Peru, an elected civilian president, Alan García Pérez, is boxed in by a military calling a savage war against fanatic leftists calling themselves the Shining Path. In Uruguay, a new democratic government wrestles with its conscience, and a widespread position drive, after agreeing to overlook what happened during a ferocious campaign in the 1970s against urban guerrillas. It is not all the fault of the generals; some see themselves as duty-bound to protect social order when civilians prove too timid. But until there is greater maturity among the soldiers, and courage among the political leaders, the new democracies cannot deepen their roots. That is what Washington should be saying as it boasts of democratic gains.

Oliver in Wonderland

It was necessary for Lieutenant Colonel Oliver North to have the chance to address allegations that he had taken personal gain from the covert operations in which he had a part. It afforded him the opportunity, which he used to the hilt, to present a portrait of himself as a brave, selfless, honest and much put-upon man whose life and family had been under terrorist threat. His testimony on issues of personal conduct may not have been the best word: He observed that he still faces the "extraordinary, unbridled, enormous investigation" of an independent counsel, and there will be further questioning by the committee. But Colonel North's personal character, though an interesting subject, is not the central issue before the committee. The essential purpose of the hearings is to provide a full public account of what happened in the Iran-contra affair, an account that will get to the bottom of the abuses of secret power that marked the government's action. So it was that Colonel North's second day of testimony, though it went heavily into his personal conduct, began also to cut toward core issues of the process and substance of policy.

his rank normally could command. He is satisfied that what he did was 1) right, 2) known and approved by higher authority and 3) legal. On Wednesday, he remained unshaken in his insistence on his own recollection — aside from the admitted error of backdating documents on his home security system. The "lies" he admitted giving to Congress he sought to excuse by citing the "lives" supposedly saved by telling them — a self-serving reading powerfully challenged by the Senate committee chairman, Daniel Inouye, Democrat of Hawaii. The witness's assertion that his every act was approved began taking the hearings to the vital and politically volatile question of specifically who did the approving. On Wednesday, some names were named. On the subject of the Boland amendment, far from conceding error, Colonel North depicted the turn to new means of financing as a way to comply with, and he understood it, Boland's ban on the use of appropriated funds for an intelligence operation. This is the working and still current North view. But it is pure Alice in Wonderland. The whole apparatus of concealment that the Reagan administration constructed around its secret operations belies the contention that there was no problem of law.

Remember the Voiceless

News of street violence in South Africa commands attention, but less is known about the treatment of political detainees in that country. Recently, the Lawyers' Committee for Civil Rights Under Law sponsored visits by a number of South Africans, some of whom have been in prison, to tell their stories to the American public. A state of emergency has existed in South Africa since June 1986. Since then, an estimated 25,000 people have been arrested without charge and held for indefinite periods of time. The Lawyers' Committee South Africa Project, which for two decades has been providing American support for legal assistance to political prisoners in that country, has financed the defense of 1,000 of those arrested. Their individual stories are moving, and the overall picture they present is terrible. One witness after another told of surprise roundups, raids on homes, schools and work places, arrests without explanation. Some prisoners were tortured, others held in solitary confinement and all suffered the frightening un-

certainty of indeterminate confinement. The Lawyers' Committee estimates that 40 percent of those who have been arrested are under 18, and a few are as young as 8. Their families are not always notified of their whereabouts, and the young, once in custody, are held with, and treated as, adults. They are not entitled to visits from parents, lawyers or independent doctors. The political detention of youngsters is a particularly repulsive aspect of the crackdown in South Africa, but such injustice is too less acceptable for adults. We are not talking about people who have been charged with and tried for crimes. These people have lost their liberty because of a speech, an opinion, a club membership. They are confined without charges or trial and are kept for as long as the police choose to keep them. South Africa is not the only place in the world where this happens, but it is a country where international pressures have some effect. Americans must continue to protest on behalf of those who have been silenced.

Other Comment

Bork: A Question of Ideology

The nomination of Judge Robert Bork to the U.S. Supreme Court poses a threat. In almost every context — remedies for racial discrimination, access to the courts, abortion, contraception, women's rights, protection for free expression, constitutional protections for the accused — Judge Bork has condemned the Supreme Court's efforts. His conception of the judicial function as controlled by the original intent of the Framers would keep the constitution in knee breeches and livery. — Herman Schwartz, a professor of constitutional law at the American University, writing in The New York Times.

as it should. The Senate simply has no valid reason to reject Judge Bork without invoking ideological litmus tests of the type that have been scorned by the American people ever since Franklin D. Roosevelt tried to pack the court with pro-New Deal appointees. In short, the liberal opposition to Judge Bork is based solely on the fact that he is a judicial conservative. Even more basically, the ideological assault against Judge Bork mocks the expressed will of the American people who twice chose a president who campaigned on a promise to nominate judicial conservatives to the bench. — The Denver Post.

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Arms Control: A New Way of Thinking, Plus 'True Zero'

The Best Form Of Defense Is A Real Defense

By Anders Boserup and Robert Nield

CAMBRIDGE, England — The Warsaw Pact countries have proposed consultations between NATO and the Warsaw Pact on how to make their nonnuclear strategies less offensive and more defensive. It is high time the West responded to this novel and potentially most important opening. If reliance on nuclear weapons in Europe is to be diminished — by agreement on intermediate-range nuclear missiles or by further steps — the problem of NATO's fear of Warsaw Pact nonnuclear forces must be faced. NATO, after all, acquired nuclear weapons and adopted its doctrine of "first use" to offset its perceived inferiority in nonnuclear forces; and fear of that inferiority is still the reason for its reliance on nuclear weapons. The orthodox approach to the problem is to call for negotiations to reduce or check the level of nonnuclear forces, subject to the caveat — sometimes proclaimed almost as a war cry — that there must always be a balance between the two sides. Balance is taken to be the precondition of security that must be preserved whether the level of forces is being lowered, raised or kept steady. There are two fundamental objections to this approach. The first is that the asymmetries and uncertainties between the geography, men, weapons, morale and every other attribute of the forces of any two nations or alliances are so great that balance can never be measured, let alone agreed, without a high probability of dispute and deadlock. That is the immediate snag on which arms negotiations have broken down since the beginning of this century. And the problem of measuring balance will be far more difficult now, with nonnuclear forces so highly complex and diverse, than it was for pro-



What is interesting and new is that since Mikhail Gorbachev came to power, the Soviet Union and the Warsaw Pact have taken up these ideas that originated in the West. Mr. Gorbachev has publicly said that the doctrine of the East bloc's nonnuclear forces must be defensive. The Warsaw Pact countries declared that to be their position in June 1986. Then at the end of this May they proposed consultations with NATO at the expert level to compare and analyze military doctrines, and ensure that the doctrine of both blocs "be based on defensive principles." This is an opening of the greatest interest. Here are the Soviets saying they want to discuss with the West how to implement a defensive doctrine that implies that they should scrap their nonnuclear offensive capability; in other words, scrap the threat that, in Western perceptions, lies at the heart of the confrontation in Europe. One can think of plenty of cautions and reservations. It will be as great a challenge for the new Soviet leadership to impose radical new ideas on the military as it is to impose them on the economy. They may fail; it will take time; it might weaken their hold on Eastern Europe. But that in no way weakens the view that this is an opening to be taken up in a positive spirit by the West. There is nothing to lose and a great deal to be gained. Mr. Boserup, an associate professor of scientific theory at the University of Copenhagen, is a senior researcher at the university's Center for Peace and Conflict Research. Mr. Nield, professor emeritus of economics at Cambridge University, is a practitioner in strategic studies at Trinity College. They contributed this comment to the Los Angeles Times.

Let's Call Gorbachev on This: Ban All Medium-Range Missiles

By Kenneth L. Adelman The writer is director of the U.S. Arms Control and Disarmament Agency. WASHINGTON — The Soviet Union has been talking publicly about concluding an agreement on intermediate-range nuclear forces in time for a possible summit meeting this fall. If the Soviets are serious about this, they can do one thing to help — make it happen: Move with America to the global elimination of Soviet SS-20 and SS-4 missiles, and U.S. Pershing-2 and ground-launched cruise missiles. This "true zero" solution would expedite negotiations and make verification far less difficult. As things stand, the INF (intermediate-range nuclear forces) treaty under negotiation would permit both the United States and the Soviet Union to retain 100 warheads on these missiles, the U.S. missiles in the United States, the Soviet Union in Soviet Asia. Such an outcome would be a big improvement over today's situation. The SS-20 threat would be radically reduced, with the Soviet Union having to destroy more than 400 SS-20 missiles carrying about 1,200 warheads that threaten Europe and Asia, and more than 100 single-warhead SS-4s. That is more than six times the number of warheads deployed on Pershing-2 and ground-launched cruise missiles that the United States would be required to sacrifice. This would be the first agreement to reduce offensive nuclear arms significantly. Considering that such reductions were dismissed as not "negotiable" six years ago, today's progress is a tribute to Western resolve. "Near zero" is good, and the United States is prepared to accept it as an interim step. But true zero — global elimination of the missiles — would be far better. Why is that? Under today's INF treaty, the Soviets would be easier to verify and easier to enforce. Band easier to verify than intermediate-range missiles. Some of the more intrusive verification provisions in the draft treaty, required if a small number of missiles and launchers remained, would not be required if production, deployment and storage were banned. A total ban would also heighten confidence by simplifying compliance. Under near zero, there can be questions about whether detected mobile missiles are legal or not. Under true zero, it would be a clear-cut violation. This may help to avoid endless disputes over the issue of cheating. There should also be less pressure from certain quarters to ignore or condone Soviet treaty violations. Second, strategically global zero is a cleaner solution. As long as the Soviet Union retains small numbers of SS-20s, the United States and its allies will have to take those missiles into account in their defense planning. Moreover, the continued existence of SS-20s may prompt the Soviet Union to maintain an infrastructure capable of supporting a far larger force. This is why near zero would require far more intrusive verification than true zero. A secret stock of such missiles might always be deployed or unveiled in a crisis — like Hitler's unveiling of the V-2 rocket in the Atlantic. Zero was what the United States set out to achieve. Near zero is an acceptable interim compromise. Residual intermediate-range forces of 100 warheads on each side make no logical or strategic sense. The case for eliminating the last 100 warheads is all the more compelling in the context of a possible global ban on shorter-range INF systems being discussed. Third, global zero would be even more helpful to Asian nations. Under near zero, the number of SS-20s threatening Asia would be reduced significantly — by more than 80 percent. Under true zero, they would be eliminated entirely. Fourth, global zero would be preferable to the West Europeans. The SS-20 is a mobile missile, that means that missiles remaining in Asia could be moved within range of Europe within days. During peacetime, that would be a serious violation of the agreement, but in a crisis all bets might be off. Western military planning would have to take these missiles into account. Finally, given their stated, but unproven, claims that the Soviets are on legitimate grounds for opposing a true zero outcome, the United States has certain advantages from the Soviet viewpoint. After all, the United States would be eliminating its own medium-range missiles. Mr. Gorbachev has publicly raised the possibility of going to true zero, albeit on unacceptable terms (American withdrawal of additional nuclear forces that are not covered by the INF negotiations). The Soviet's acceptance of true zero would lend credence to their stated commitment — more words than action thus far — to advancing genuine arms control. The difference between near zero and true zero is one of those cases where, as Karl Marx said, a quantitative difference becomes a qualitative one. From every standpoint — arms control, strategy, politics, and peace — it would be the better result. Americans are ready for it. Are the Soviets? The New York Times.

The Answer Was Simply to Tell Congress

By David S. Broder

WASHINGTON — Lieutenant Colonel Oliver North has done the United States a service with his testimony on the Iran-contra affair. By being the unapologetic, combative witness that he has been, he has brought into focus the real issue in this controversy. That issue is not primarily Ronald Reagan's veracity or complicity in this business. The president long since has acknowledged that he gave personal approval to the arms shipments to Iran. It is equally clear, not just from Colonel North's testimony but from the whole record, that the National Security Council operatives had — as Colonel North said — every reason to "assume" that the president also approved their use of the profits and the contras in Nicaragua. It would be convenient if Colonel North had not shredded the documents on which Mr. Reagan was asked to indicate his approval of the transaction. But it is hardly vital to know whether Mr. Reagan's approval was explicit or implicit. The president has defended as proper the solicitation of funds for the contras from private individuals in America and from foreign governments. Having approved the sale of arms to Iran, there is no reason to believe he would have been offended by adding the Iranians to the list of contra contributors — what Colonel North still calls "a neat idea." The late William Casey, President Reagan's close friend, campaign manager and choice as director of the Central Intelligence Agency, clearly knew about the deal. So did Rear Admiral John Poindexter, Mr. Reagan's national security adviser, and his predecessor, Robert McFarlane. If the president was in fact unaware of the diversion, it is as clear as can be that he could have learned of it simply by asking a question of officials close at hand. Under the U.S. system of government, his responsibility for this transaction or for his own acts of commission or omission is crystal clear. No theory of accountability permits any other dilemma they pose for a democratic society such as America's. Every American would agree — that in a dangerous world, the United States must have the capacity to conduct covert actions in the interest of its national security. Bluntly, he said, "By their very nature, covert operations or special activities are a lie." At the very least, they involve steps to assure "plausible deniability" for the U.S. government and its agents should anything go awry and the operation be exposed. In addition to concealment, covert actions often involve deception of the other side. The dilemma arises from the fact that such concealment and deception necessarily extends to the American public. As Colonel North

said, Americans cannot put a bubble over the country and finance these matters among themselves. Yet if this is to be a government of law, covert actions and overt policies must reflect the people's will. A procedure exists for resolving this dilemma. It is the requirement that the executive branch give timely notice to the intelligence committees of Congress of the covert operations it is conducting or contemplating. When Colonel North was asked, however, if he wanted the Congress informed through its designated committees of what he and his associates were doing, he said, "I didn't want to show Congress a single word on this whole thing." That general policy of defiance has been endorsed by Attorney General Edwin Meese and by the president himself. They assert that the president may delay notification for weeks or even months at his discretion. That is a position that cannot be allowed to prevail. If the United States is to remain a democratic society in which this name, There is a procedural case to be made for the timely notice policy. Members of the intelligence committees, led by experienced senators and representatives who are well-trusted by their colleagues, offer any president a source of good counsel. It is hard to imagine that these sensible politicians sensitive to public opinion would not have attempted to warn the president of the folly of setting such a trap. But the real dilemma is less compelling than the constitutional argument for timely notice. The president might have ignored the legislators' advice or their certain warning against using any proceeds to help the contras. But if the notification requirement had been enforced, no subordinate could have risked even the possibility that the president was unimformed of the transaction. The responsibility for the decision would clearly have lodged, as it must, with the man the American people had elected, and not with a marine corps lieutenant colonel. The Washington Post.



By GRAFF in Artist's Conception. Cartoonists & Writers Syndicate.

Bork Is a Jeffersonian, Not a Bogyman of the Right

By Edwin M. Yoder Jr.

WASHINGTON — Leading the charge of the lightweight brigade against the nomination of Robert Bork to the U.S. Supreme Court, Senator Edward Kennedy conjures up frightening visions of an America in which women would be forced into back-alley abortions, blacks "sit at segregated lunch counters" and "rogue" police "break down citizens' doors in midnight raids." This twaddle is what Adlai Stevenson used to call white-collar McCarthyism. And it has as much to do with Judge Bork's real views or qualifications for the bench as his red whiskers or his Flatfishian girth. Robert Bork is an upright and scholarly judge of uncommonly serious and coherent views about the appropriate constitutional role of the judiciary. He has laid out those views for all to read and consider in many elegant and witty essays and lectures. Those writings reveal that he is not a bogyman of the far right, but a temperate and intelligent Jeffersonian. If Senator Kennedy and others of his persuasion cared enough to look closely at the views of their party's patron saint, they would be logically constrained to vote for Judge Bork, or to explain why Jeffersonian principles are no longer acceptable among conventional liberals. What does it mean, in 1987, to be a judicial Jeffersonian? It means that with certain qualifications, usually ignored by demagogues, you believe that in a democracy people are best governed by the officials they elect, free of overbearing judicial supervision. If, for instance, a majority in a state legislature wants to ban the use of contraceptives or abortion, and if no clear constitutional impediment to that policy is discovered, they are entitled to exercise a degree of coer-

cion that we enlightened few, including Bob Bork, might deplore. Judge Bork believes, and has forthrightly argued, that many constitutional "rights" discerned by judges — especially the right of privacy used to curtail recent laws restricting contraception and abortion — are without constitutional warrant, and therefore no more than judge-imposed "wish lists." Judge Bork's problem, in other words, is that like Jefferson he finds "judicialty," which recently has been the favored mode of enlightened change in our society, hard to square with any theory of democratic government, even one with a substratum of natural law. He once wrote, "If a judge should claim to possess a volume of annotated natural law... we would suspect that the source of the revelation was really no more exalted than the judge's viscera." That view, though unusually amper, is neither novel nor exotic. What is not to be denied is that so restrictive a view of the judicial function can have real political consequences. Those consequences are a legitimate source of inquiry in any confirmation process. You could say to Judge Bork, for instance: "This touching faith in legislative government is all very well, but legislators often do dumb and despotic things and I prefer to take my chances with judicial supremacy." Judge Bork's laudable defense to a judicially underdogged democracy might indeed be a reputable basis for opposing his confirmation. Any court he influences is going to jerk constantly at the leashes of overambitious or adventurous judges. It must be added that Judge Bork's ultra-majoritarianism is not unqualified. He would not, for instance, segregate America, because he believes the 14th Amendment "secures against government action some large measure of racial equality." And Senator Kennedy's charge that "Bork's America" would be a police world, with cops crashing through your door is pure incoherence. If I were president, Judge Bork whom I admire — would probably not be on my short list. If his nomination is confirmed, I fully expect opinions by him that I will enjoy reading. The favoring difference is — to borrow a Churchillian phrase — that Judge Bork has "the root of his matter in him." He understands that constitutional government is mainly about principled limits on the exercise of power. He has the will and intellect to seek and enforce those limits, to referee the jostle of democracy no matter whose wish list must be temporarily sidetracked. I would expect Judge Bork, moreover, to explain his rulings in a principled and intellectually honest way and to correct them when he is wrong. It is foreseeable in all this that the issues on which he will make a difference in the long run are now mostly unforceable. — Washington Post Writers Group.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: 'Automatic' Food NEW YORK — There is one place where striking waiters cause no terror, as all the foodstuff is served automatically after it has been sufficiently cooked with a five-cent piece. This new Utopia in foodland is in Broadway between Forty-Seventh and Forty-Eighth streets, on the third story. It is known as the Automaton. If you want a piece of pumpkin pie, you drop a nickel into a slot so designated and the luscious yellow pastry fairy jumps out and greets you. Coffee, soup, cocoa and other liquids which do not require an all-night license to serve spurt out like a Yellowstone Park geyser, with milk or cream, if desired. Food in gram-proof (glass) paper wrappers flows out from glass enclosures at every angle. Hot and cold food is served in the Automaton and it is possible to obtain a dish of ice cream from the refrigerator slot.

1937: Hunt for Earhart HONOLULU — Squalls and clouds that reduced visibility cast further gloom over the search for Amelia Earhart and Fred Noonan as Navy flyers completed their search of an area of 64,000 miles north of the Phoenix Islands. The battleship Colorado shifted its activities southeast as a full week passed without any authentic word of the missing round-the-world flyers. Although the United States Coast Guard reported that a member of the staff of the Army airport at Hilo, Hawaii, heard a message coming from the flyers saying, "We're not much longer," the belief became almost unanimous that the scores of signals reported during the past week were not genuine. It is expected that the hunt will not be ended until the entire Phoenix Island group, with its hundreds of tiny coral and sandy islets, has been scanned.

NYSE Most Actives table with columns for stock symbol, volume, high, low, and change.

Market Sales table showing volume and value for NYSE, AMEX, and OTC.

NYSE Index table showing high, low, and change for various market indices.

Thursday's NYSE Closing logo with 'Via The Associated Press' text.

AMEX Diary table listing stock symbols and their respective prices.

NASDAQ Index table showing high, low, and change for NASDAQ indices.

AMEX Most Actives table listing top active stocks on the AMEX.

Dow Jones Bond Averages table showing yields and prices for various bond categories.

NYSE Diary table listing stock symbols and their prices.

Odd-Lot Trading In N.Y. table showing buy and sell volumes for odd-lot trading.

Dow Jones Averages table showing high, low, and change for Dow Jones indices.

Standard & Poor's Index table showing high, low, and change for S&P indices.

NASDAQ Diary table listing stock symbols and their prices.

AMEX Stock Index table showing high, low, and change for AMEX stock indices.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Large table of stock prices and changes, organized in columns with stock symbols and price movements.

NYSE Mixed on Profit-Taking

Main article text discussing market performance, profit-taking, and specific stock movements like Golden Nugget and Southland Corp.

Table of stock prices and changes, continuing from the left side of the page.

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WEEKEND

- Memories of Capote
- Photography at Arles
- Native American Art

International Herald Tribune

CRITICS' CHOICE

AIX-en-PROVENCE

Strauss, Lully and Verdi

Aix is France's summer capital of opera and vocal music, and the 40th festival has just opened with a new production of Strauss' "Der Rosenkavalier," conducted by Semyon Bychkov and staged by Tobias Richter, with Mechthild Gassendoff, Jeanne Fland, Christine Barbaux and Aage Haaland in the principal parts. Other operas in the festival, which continues to July 31, are a new production of Lully's "Psyche," conducted by Jean-Claude Malgoire, with his Grande Ecurie and Chambre du Roy instrumentalists, and staged by Jean-Claude Penchenat; Verdi's "Falstaff," in a production from the Théâtre de la Monnaie in Brussels with José van Dam in the title role, Sylvain Cambreling conducting and in the staging by Luis Pasqual; a revival of Mozart's "Abduction From the Seraglio" in the Lyon Opera's production, staged by Georges Livanou, Armin Jordan conducting, and a concert performance of Gluck's "Iphigénie en Aulide" conducted by John Eliot Gardiner, with a cast including Anne Sofie von Otter, José van Dam, John Aler and Gilles Cachemaille. Oratorio and sacred works in the Cathédrale Saint-Sauveur include Durufle's Requiem; Handel's "Alexander's Feast," Monteverdi's "Vespers" and a Purcell program, all conducted by Harry Christophers.

MARTIGNY

Toulouse-Lautrec in Switzerland

With works brought together from his mother's donation to the Musée d'Art et d'Archéologie and several Swiss private and public collections, Henri de Toulouse-Lautrec's cancan dancers, prostitutes and entertainers people the Pierre Giannada Foundation this summer. The familiar figures of La Goulue, Jane Avril, May Milton, Yvette Guilbert and Aristide Bruant, with his jaunty black cap and red scarf, need no introduction. The show accents the careful preparations for the highly colored posters of Paris night life he seemed to dash off without effort. Yet often, a portrait and two or three studies in oils were needed. Once the painter put his brush to the fast absorbing cardboard, retouching was almost impossible. Besides the lucid glimpses of the Paris night world in which Toulouse-Lautrec found refuge, there are oils, lithographs, early sketches of the horse country living, riders and landscapes of his youth, illustrations, caricatures and the talented doodles in his Greek grammar. To Nov. 1.

(Marie Guinard)

BREGENZ

Offenbach on the Lake

The distinctive attribute of the Bregenz Festival (July 21-Aug. 24), in the chief city of Austria's western province of Vorarlberg, is the huge floating stage on Lake Constance, which this year is being used for a production of Offenbach's "Tales of Hoffmann," in a production by Jérôme Savary (of Grand Magic Circus fame) and conducted by Marc Soustrot. In the Festspielhaus, the opera production is Verdi's "Ernani," with a cast that includes Aprile Millo, Luis Lima, Renato Bruson and Paata Burchuladze; concerts by the Vienna Symphony Orchestra under Pierre, Leinsdorf, Frühbeck de Burgos and Kitayenko, and the Ballets de Marseille with Roland Petit's "Blue Angel."

NICE

Tiepolo Chez Matisse

Twenty major paintings by Giambattista Tiepolo, along with 10 drawings and sketches and 80 engravings, have been assembled by the Musée Matisse for an exhibition running to Oct. 31. Works by the dominant figure in 18th-century Venetian painting have been borrowed from the Ca' Rezzonico and the Accademia in Venice, the Prado in Madrid and the Petit Palais in Paris. During the same period, several of the museum's major works are on loan to the Museo Correr in Venice for the exhibition "Matisse and Italy."

Gilbert & George: A Particular View

We never have ideas. Our works are created without commonsense.

by Polly Devlin

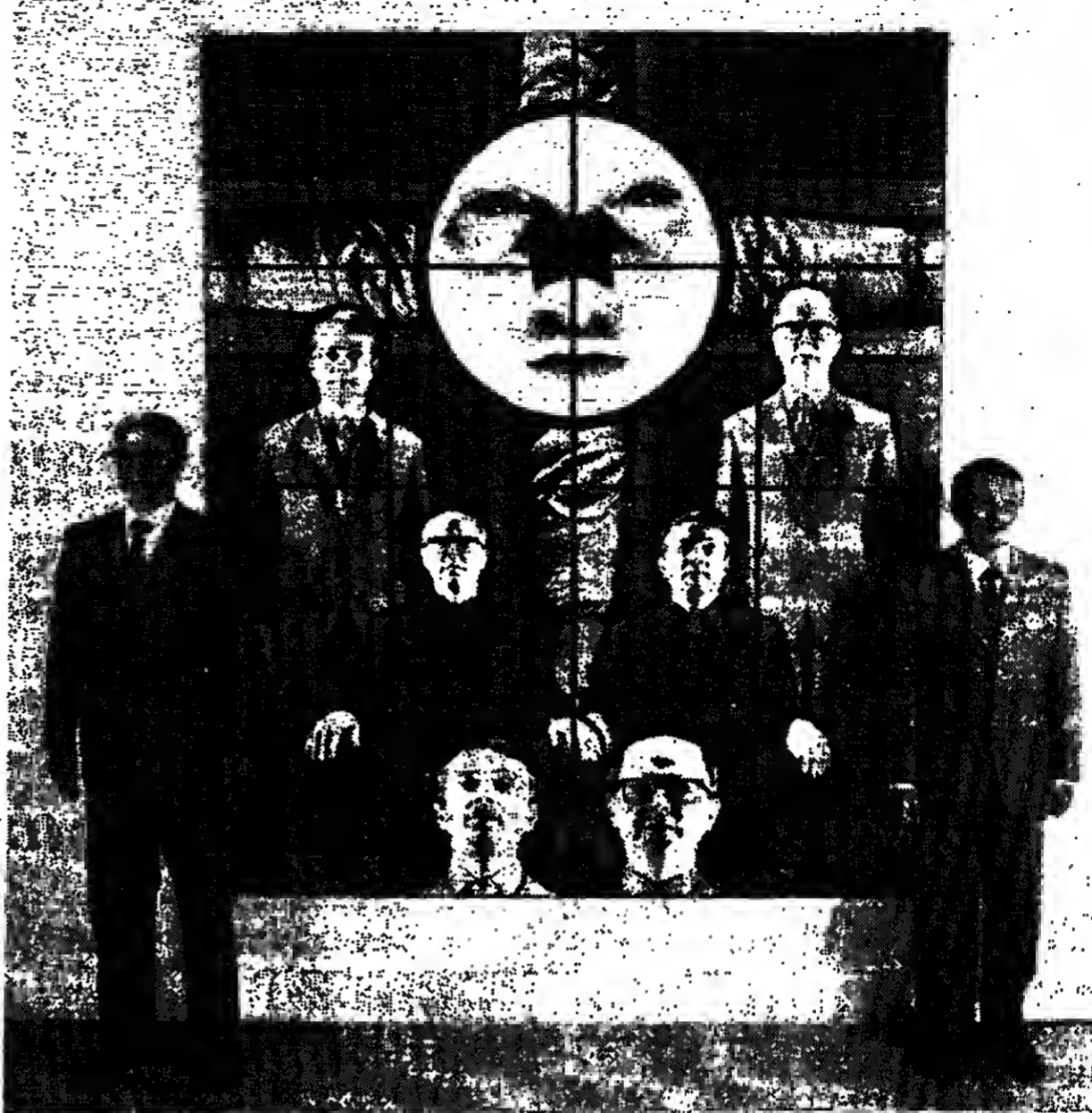
LONDON—When one walks into the Gilbert and George show at the Hayward Gallery, one is filled with dread and alarm. For to enter these big rooms full of light streaming as if were, through stained glass, is like entering a cathedral. Instead we find here an anti-cathedral, a temple to the profane and even to the damned, and responses go onto red alert. Perhaps that is a measure of the power of the show, since it is positioned only on the present, and a state of alarm is a condition many people live in day by day. But what a lonely, truncated and stunted place this present is.

Everything that is ordinarily human and womanly in me bewails this exhibition. Because for all its bright and primary colors, it shrieks despair, because in its reach—or lack of it—it intimidates; and because far from doing what Gilbert and George profess and aspire to do, which is to "speak across the barriers of knowledge" directly to the People about their "Life," they speak to me and the like of me not at all, for I do not, being a woman, exist. Indeed Gilbert and George, binary artist and human sculptors ("We don't collaborate, we are an artist"), are reported as having said that they would as soon have a fridge in their pictures as a woman. Woman becomes The Disappeared in these enormous homoerotic pictures. Which, after all, is the artist's prerogative, except that Gilbert and George harp on about their generosity towards the human race. Apart from their all-pervasive selves, their images are of young, aggressive or supplicant men.

The pictures are composed of specially colored photographs, mounted under a grid—hence the stained glass effect. Gilbert and George are now ensconced in an apparent state of staxony in the pantheon of 20th-century art, and indeed have been ever since they emerged fully fledged and covered in bronze paint from St. Martin's School of Art, London, in 1969, avoiding all labels and bent on creating a new democratic art in a demotic language and inhabiting a world where everything is given the same left and significance, whether it is death or defecation. Thus, a picture of shit is given the same dimensions as that of a tree or a floating flower, or Christ.

"On leaving college and being without a penny we were just there," they are quoted as saying in the catalogue. "Just the two physical presences Gilbert and George. We put on metallic makeup and became sculptures. Two bronze sculptures. Now we are speaking sculptures. Our whole life is one big sculpture." Their most famous manifestation at this period was performed to a 78-rpm recording of "Underneath the Arches"—a tune that carries more than nostalgic music hall messages with it. When the song finished Gilbert, George, whichever, would get down from the living sculptures' pedestal, rewind the tape and repeat the routine for anywhere up to eight hours without deviation.

It is a measure of their success and acceptance that in November 1986 Gilbert and George won the Turner Prize as



Gilbert & George flanking their photopiece picture "We."

the artists who had made the most significant contribution to British art during the preceding year.

The show at the Hayward—"Gilbert and George Pictures"—has already been seen in Bordeaux, Basel, Brussels, Madrid and Munich. There is another large exhibition running concurrently at the Anthony d'Offay Gallery of their more recent work. D'Offay is more like an eminence grise for artists than a dealer; he seems to inaugurate and inspire his artists if only through his own passion, and the huge panels on show there, even though they have titles like "Doon," seem paradoxically much less despairing, altogether less threatening and more beautiful than those in the Hayward.

There is a story about Lenin that tells a good deal more about the man than perhaps one wants to know; that he didn't want to listen to music or read poetry, because it might divert him or soften his heart. In a morning's talk with Gilbert and George I heard the same things and remembered Yeats's lines, "The best lack all conviction, while the worst are full of passionate intensity."

Gilbert and George do not listen to music. There is a *saevus indignatio* at the very question. "Certainly not. It is bad for the brain. We disapprove of the general rule that allows people to escape from reality and from the better, truer understanding of themselves." "What about Mozart?" I venture foolishly. Gilbert snorts. "Mozart. He's been dead for

three hundred years." George looks both fanatic and bored. "From what we've seen music is a hindrance."

My question is utterly inappropriate in their beautiful dead house in the East End of London where these two men, who seem deliberately to have robotized themselves into the opposite of exquisite, live among a vast collection of Aesthetic movement objects and furniture, but no domestic clutter at all. They have eliminated as much of the mess of human daily existence from their lives as possible; they have horrible style if only because they avoid the trappings of style so impeccably. They eat in the same café each day; wear the same somewhat Orwellian uniform of gray suits and floral ties and highly polished brown shoes. Gilbert is Italian, George English, and they were both prodigies but neither nationality nor their past really counts. They are nothing but Gilbert and George.

I asked them whence came their ideas and inspiration. "We never have ideas. We work without consideration. Our works are created without common sense. We have our images from inside our head and we put it together piece by piece. We have a finished sense of how the piece will be when we start. We are moving at enormous speed toward the grave and we still have to reach a lot of people."

Geography and time and accident brought them together—not fate. "We don't have those sort of spooky feelings.

We're rather ordinary lower class people, and we don't go in for that sort of thing."

"What sort of thing?" I ask wildly, because when you miss the point a suppressed rage gushes off George like a wind off marshes. (Very suppressed, because they live up to their inhuman manifesto: "Always be smartly dressed, well-groomed, relaxed, friendly polite and in complete control.") "All those spooky feelings about mysteries in art. We simply accept life as it is."

"We're not involved with pleasure" they agree. "We know no one more miserable than we are," George adds. "I think good artists are only involved in unhappiness." They seem unperturbed. They are not interested in art as an exploration of the artist's soul or the artist's psyche. "That's selfish," says George, his eyes assuming an almost preternatural stare. At other times George's eyes could cut cold steel. "We're not involved in self service. We're not interested in improving our talent. The role of an artist is to look at life and improve what he thinks needs changing. An artist is trying to develop the idea of life. We have a highly developed sense of duty and service and purpose, and we are great believers in giving something in return for the gift of life. There are people who want to give and those who want to take, and the artist is a giver and must give himself entirely without sense of self. We are who we are and our art is for the viewer. Decadent

art speaks in a language that excludes people on class, age and race. Our art is fair to people. It is democratic. Art always was for the people; in earlier times, in medieval times, the peasants loved art, but then art began to serve the church, then the toffs.

"Our art encompasses people. Puzzling, obscure and form-obsessed art is decadent and a cruel denial of the life of the people. When we make a work of art we allow for the viewer. The viewer is part of it; we make pictures to encourage and to change people and everyone is changed by seeing our pictures. They can't help but be, if you go to India you come back changed. If you see our pictures you are changed.

"Betterment is the essence of Western civilization. There has never been such a high state of development as now. The world is changing for the better all the time."

"They look surprised at my skepticism. 'Do you mean that literally?' I say. 'Is 1987, in your eyes, the apogee of human civilization?'"

"Well not necessarily 1987," Gilbert says. "Any given year is the best year yet."

"What about 1943?" I ask.

"We would say that it was always the best whatever year it was," George says.

"Not if you were Jewish" I say.

"Well even Jewish people are fascinated by the recent history of war," George explains. "And life isn't divided into the good and the bad for us. We honor all its forms. We are not here to fight evil and do good. We're anti-artists who reflect life. Art has to be artificial."

"Just having different views is so difficult. If you're an artist you are going to be hurt. We get very frightened by criticism—an unhappy sickly feeling. Our foundations are shaken when we are attacked but we keep on because we know we are right. We have fought tooth and nail, day by day, we have clawed against tremendous opposition; but can you name an artist who has advanced civilization who hasn't met with tremendous opposition?"

It is rare for living artists to have a full scale exhibition at the Hayward, the Arts Council's showpiece gallery on the South Bank. "The Hayward Gallery—what an opportunity for the nation to see the work of living artists—but it rarely happens." George shakes his head and would, one feels, register pain. Had they not apparently co-ventured not to register human emotions.

"Can you name a living artist who has had a major show there?" I mention the Boyle family. "Ah, but that wasn't the main show," George points out. "When I was a child living in Oxford I wanted to see modern art but there was nowhere I could go to see it; I could see any amount of stuffed fish and dead birds and old pictures but I couldn't see the work that was being done in the present, the art going on around us and which was part of life. An art exhibition ideally provides the opportunity for freedom and thought that wouldn't anywhere else be possible, it's a different kind of chance."

It also provides a space for the viewer to respond in friendship to their Art, which is another of their aims. "Each picture speaks of a 'Particular View' which the viewer may consider in the light of his own life. The true function of Art is to bring about new understanding, progress and advancement." There is no doubting Gilbert and George's appalling sincerity.

"Gilbert and George Pictures 1982-1986" is at the Hayward Gallery until Sept. 27; their work is also at Anthony d'Offay, 9 and 23 Dering Street, New Bond Street, London W.1.

Polly Devlin is a writer based in London.

The New Wizards and their Avant-Magic

by Glenn Collins

STANDING silently in a Las Vegas boardroom, Penn & Teller, the new-wave co-conspirators, are facing the ordeal of their lives. They're on trial, hauled before the Magicians' Board of Appeals to face charges that the two performers have committed sins against the hallowed traditions of the magic profession. Some of the crimes are shocking indeed—such as exposing the secrets of magic. But even the minor crimes are scarcely forgivable: for example, Penn & Teller have publicly referred to card tricks as "intrinsically wimpy."

"Fourthly," the head magician intones, "you shall be stripped of your doves, your rabbits and your mirrored boxes."

"But we don't use any doves, rabbits or mirrored boxes!" counters Penn Jillette.

The head magician restrains his anger at such impertinence, and continues: "Furthermore, you can no longer call yourselves magicians."

"But we don't call ourselves magicians!" says Jillette.

Unable to restrain his wrath any longer, the head magician begins shouting "Guilty! Guilty!" as the Magicians' Board of Appeals demands the maximum penalty. "And so—demands the maximum penalty. 'And so—the magicians try to kill us,'" said Jillette delightedly, as he recounted the wholly fictitious doings of the mythical magicians' tribunal. This is his favorite scene from "Penn & Teller Get Killed," the soon-to-be-filmed movie in which Jillette (the large, verbal, abrasive one) and his partner, Teller (the diminutive, silent, lovable one), are as if dimly expected, the stars.

This scene, though fantasy, is an accurate reflection of the paradoxical state of magic. This ancient form of dramatic entertainment, an actor's art as old as man, has been undergoing a surprising renaissance.

Magicians as disparate as Doug Henning

and David Copperfield have won large audiences on stage and television; magicians have become fixtures on shows with perky demographics, like "Late Night With David Letterman" and "Saturday Night Live"; and a former street magician, Harry Anderson, has become the star of a mainstream television hit, "Night Court." These days, scarcely a comedy club in the United States is without a magician in its lineup, and last month, the Las Vegas performers Siegfried and Roy signed a \$7.5 million contract to make their magic show the featured attraction of Steve Wynn's new Golden Nugget casino resort.

Yet the irony is that some of the most celebrated young magicians—exemplars of "the new magic" or "avant-magic," as it is being billed—have rejected significant elements of the magical tradition. Some are even saying they feel uncomfortable about being associated with the word magic. "We think of it as the M word," said Jillette. "A lot of people who come to our show say, 'If I'd known you were magicians, I'd never have come.'"

New York audiences will have an opportunity to see the art of a new generation of performers at the New York Sheraton Center in Manhattan. Six revue-style shows, titled "New Vaudeville Magic," will be performed for the public, starting Friday at the hotel's Imperial Theater.

In a culture that has reduced most of its institutions to the status of talk-show-monologue material, it is hardly surprising that the traditional magician has become a target of opportunity. "The magician as descendant of the shaman—who has the aspect of the unsmiling, bearded, august and majestic figure—perhaps we've rejected that," said the writer John Updike, no stranger to the supernatural, as was evident in his 1984 novel, "The Witches of Eastwick." "That isn't too hip now. It may be that the world is less religious and less open to the idea of the magician with miraculous powers."

And yet, the conjurer's art—performed

live, before real audiences by actual magicians—endures stubbornly and illogically in an age when millions can rent videotapes that show Hollywood miracles performed by special-effects wizards.

The essence of magic now, as in the past, is fooling people. Curiously, though, it is a characteristic of some of today's most interesting young magicians that "you may very well be fooled, but the new magic does not have the goal of fooling you," said Adam Fleischer, producer of the "New Vaudeville Magic" revue. "Magic is often the tool to reach a certain level of theatrical experience." In the old magic act, "it used to be production—vanish, production—vanish," said Vito Lupo, using the magician's terms for the appearance and disappearance of objects, animals and people. "Now magicians are taking the tricks and connecting them to other images that are inside your head, that affect you on a deeper level."

For Lupo, that meant creating a whimsical Pierrot persona that mixed mime and magic in a way that tested the boundaries of traditional performance categories. "The mimes called me a magician, and the magicians called me a mime," he said, but in 1979 he went on to become the first American to win the Grand Prix award in stage magic at the Federation of International Societies of Magic competition in Brussels.

Although the comedy magician was a staple of vaudeville, to some observers it is the talking comedians of contemporary magic who are doing some surprisingly radical things. Among them are Penn & Teller. During their show—an Off Broadway phenomenon for 22 weeks that is now touring the country—the team reserves special venom for the "hocus-pocus profession," as Variety calls it. "The old magician, he's a guy who somehow got into the bobby when he was 12," said Teller, an Amherst-educated former high school teacher of Latin and Greek. (Teller is his full name as it appears on his passport, he says. But since Visa insisted on

two names, his Visa card reads "Mr. Teller.") Penn & Teller do magic but claim that they are not magicians; instead, they insist they perform some new unclassifiable entertainment genre called, well, "Penn & Teller."

"In our show we tell people, 'We are swindling you,' and that offends a lot of magicians," said Jillette. "We enjoy taking revenge on the magic community by breaking the fundamental rules of magic." For example, in exposing how one of the most ancient of conjurer's tricks, cups and balls—the shell game—is performed, Penn & Teller break the following rules: "Never do something twice," Jillette said, "never tip the gaff to the lay public, never let the audience see your preparation—and never, never do the cups and balls with clear-plastic cups!"

Aside from the self-referential twist to some of the contemporary magicians' performances, there is also "a more willfully analytical quality in their approach to magic," said Max Maven, a mentalist who has created illusions and written material for many magicians, including David Copperfield and Penn & Teller. For example, Maven and Teller have been known to talk into the wee hours of the morning about such things as the relationship between their work and Greek theater—a conversation that might have seemed less than engaging to many of the old vaudevillians.

The black bolt of television exerts a powerful pull on the new crop of magicians, who know that David Copperfield and Doug Henning have won large audiences for their television specials.

"There is a built-in irony and ambiguity in magic," said Teller, "which imparts a strange sensation. It does funny things to your mind, you lose your place in the world, your sense of who you are. But you have to be there, use your own eyeballs. If you see the same thing on television, well, it's like seeing 'My Favorite Martian.'"

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Vito Lupo—a Pierrot mixing mime and magic.

Women's Images Dominate Arles Photography

C.G. Cupic

ARLES, France—Françoise Hugnier was, at the age of 10, taken captive by Vietnamese guerrillas and held for more than a year. Nan Goldin, when 12 years old, overheard her parents tell police that her sister's suicide should be presented to the neighbors and the children as an accident. Evelyn Richter saw her primary school, one after another, turn into auxiliary hospitals during World War II in Germany. Dominique Issermann had a happy childhood in her comfortable Parisian home.

The four, today renowned photographers, are featured at the 18th Rencontres of international photography in Arles.

Although many women photographers have made their impact at previous festivals in Arles, this is the first time that they really dominate.

François Ebel, the artistic director of the festival and the organizer of the 25 exhibitions at the Théâtre Antique, finds that "women's influence this year is perfectly natural. Photographic expression is becoming more intimate and it seems normal that women photographers bring their touch. They definitely have different sensibility and the public is very receptive to their work. Only after we made the final list of the exhibitions and the shows, did I realize the importance of women photographers and their numbers this year. Besides, they are all very, very good."

"I was raised on the rubber plantation my parents had in Vietnam," says Françoise Hugnier. "Our house was surrounded by barbed wire which soldiers posted around the perimeter. My father kept a gun under the pillow. We often went to Saigon, which was a fascinating city full of life and lights."

"Once when I was playing outside the house perimeter, Vietnamese dressed in green took me with them. We marched for days soaking wet under monsoon rain. Later on I learned that we went to Cambodia."

"I was the only child in the camp, and I soon became their mascot. They had a flag raising ceremony every day and I was the

one who raised the flag. I could wander around the camp freely, they always kept the best food for me and from time to time they brought me news from my parents. I also learned Vietnamese and Khmer."

"I never saw any fighting but from time to time one could hear the gunfire around the camp. Sometimes they brought in men who had legs or arms missing."

"After a long, long time we moved again, and after days of walking came to a river. They sent me across alone in a small boat while another boat full of Vietnamese left the opposite bank. A lot of French soldiers and my parents waited for me on the other side. I did not know if I was happy to see them, I could hardly speak French."

"A few days later, as we were preparing to leave Vietnam for good, there was suddenly a great commotion among our Vietnam servants. One of them brought me a small packet. Inside was a photograph of me in green battle dress. That was a goodbye present from my captors."

"Subconsciously, my future was marked for me. I was to become a photographer."

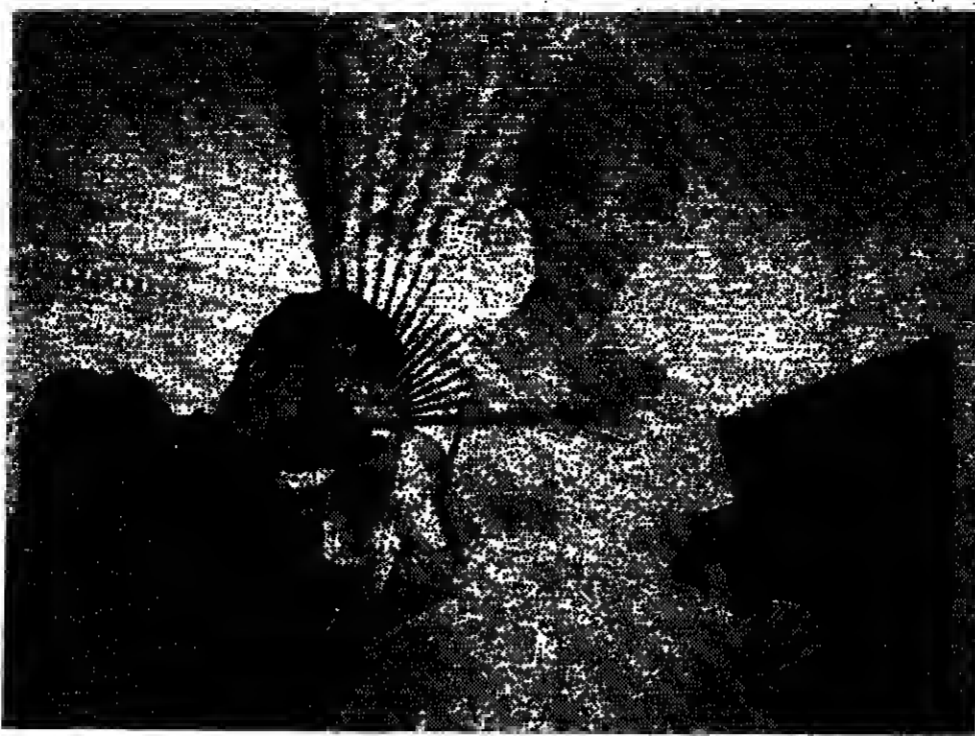
Hugnier's pictures from Africa and Asia are very universal and very personal. The fashion work she has done for the Paris daily Liberation brings expensive and exclusive attire close to everyday life through her settings. Her warmth translates into her work with ease and elegance, and brings out the best in her models and sitters.

Nan Goldin battles for emotional survival, physical integrity and sanity. With the help of her camera she records moments of complicity, love and break-ups. She was trusted, loved, beaten and abandoned.

"Photography serves me for my visual diary, a proof that I exist as a person and that I am part of a group. Something that will record my existence such as it was. What I feel in my life is a part of my private written diary."

"My pictures deal with my relationships, those of my friends, the eternal battles of sexes, the relations between women, men, and children. They are all intense and very different."

A middle-class child put into a foster home at the age of 13, Goldin



Françoise Hugnier



Nan Goldin



Dominique Issermann

went to a Summerhill type of school, got interested in films, and found that photos record her existence best.

"I cannot take a picture of somebody unless I am part of their life. I cannot come from the outside and tell them to hug each other, snap it and say goodbye. I have to be a part of the picture in every sense of the word."

The break-up of an important relationship prompted her to check on 10 years of her photos. As a result, Aperture of New York published a fascinating book called

"The Ballad of Sexual Dependency."

Monday, at the open air slide presentation at the Roman theater, a 15-minute projection of works by the East German photographer Evelyn Richter stole the show with her grainy black and white pictures of ordinary life in East Germany.

"One sees with one's eyes, thinks with one's mind and feels with one's heart. Creativity is a mixture of the three," says Richter.

The lack of photo material and accessories forced her to compose

her images in her mind during the austere postwar years.

"We were destroyed, we were poor and we did not have enough bread. My formative years were spent learning through seeing, and we had nothing to experiment with. The books were burned by the Nazis, the cities were destroyed during the war, our cultural center, Dresden, was in the ashes after the Allies bombed it. As a child I lived in the countryside and did not see destruction being done, I only saw the results."

"During the 1950s we often went to West Berlin. There I saw the 'Family of Man' exhibition that was set up by Edward Steichen. I was an art student and after that the photo became my profession."

She worked for the newspapers and the magazines and ended up being professor of photography at the University of Leipzig.

Dominique Issermann's fashion pictures are innovative and refreshing. She controls the slightest details in her pictures to the point of mania. The dress must be right, the setting mysterious and exquisite, the light transparent. Once taken out of the fashion context and commercial advertising atmosphere, her work is fine art photography.

Native American Art

by Sheryl Koruman

PARIS—Visitors to Paris who prowl the boutiques of Les Halles in search of cheap imitation American Indian jewelry will find it (made in Pakistan), but this month they can see the real thing in a traveling exhibit of Native American art and artifacts assembled by the Denver Art Museum in Colorado.

The exhibit, "The American Indians: Objects of Art and Daily Life," is at Art 4, Patrimoine du Monde, an underground gallery at La Defense, the suburban business and residential complex.

Much of American Indian art, like the Native Americans themselves, has not survived. Most of what remains is either privately owned or stored in collections developed by colleges and universities.

This collection represents objects created in the late 19th and early 20th centuries. It is accompanied by black-and-white photographs of Native Americans wearing or displaying the same kinds of objects as those on exhibit.

Rather than concentrating on ornaments and jewelry, which would have been easy, the show also provides a study of baskets, sculpture and clothing, along with pottery and rings, bracelets, brooches and necklaces.

Rare items, like kachina dolls and masks are included, along with the work of the Pacific Northwest, whose ornaments and blankets have survived in greater numbers simply because they have.

To transform the exhibit into a lesson in the evolution of a people rather than an homage to a particular style of design, the curator of Native Art at the Denver Museum, Richard Conn, has organized items not by tribe but by object. Even so, he has managed to include an impressive array of utilitarian and decorative objects from Indian tribes not only of the Southwest and Great Plains, but of tribes scattered in Alaska, Canada and New England.

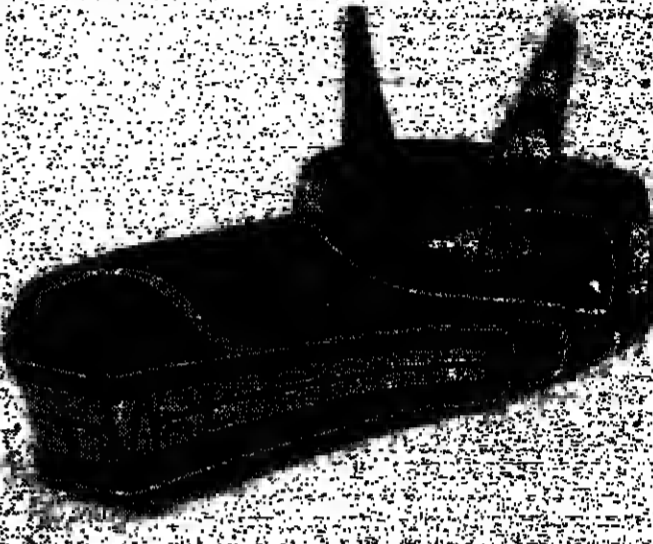
Along with the widely copied avian and turquoise of the Navajos of Arizona are more obscure pieces: a hat made by the Haida of British Columbia, a sewing basket made by the Maliseet of Penobscot, Maine. To help even the most worldly visitor follow the geographic spread of the tribes, a ceiling to floor map of North America, indicating the primary locations of each, has been painted on the wall. A copy of the map is provided for each visitor.

Perhaps the most surprising aspect of the exhibit is the display of ornately beaded clothing made by Indians, using beads and silk provided by friendly Western European explorers. The Native Americans, Conn points out, were eager to discover new materials and enjoyed finding innovative ways to incorporate them in their designs.

How natural materials, especially animal skins, clay, fiber and metals were used to fashion elaborate costumes and baskets and bowls with intricate designs show the Indians' ability to work patiently with materials that took weeks to prepare and to create designs that reveal a vocabulary of symbols, all of which had meaning beyond the decorative aspect of the object.



Man's celebration tunic, 1900, British Columbia.



A wolf mask from British Columbia, c. 1890.

Among the more unusual pieces on display are ceremonial masks made by the Tlingits of Alaska and others.

Mesquero, Conn says in his catalog essay accompanying the collection, is an enduring concept and Indians, like other groups of people with strong identities, enjoyed "becoming other people" if only temporarily. Masks, along with other costume changes, helped them transform themselves into tribal heroes, supernatural legends and gods. Some masks were made just for amusement.

A few impressive pieces of sculpture seem to be one-of-a-kind. The bust of a musical conductor and member of an Alaskan tribe is a great-and-red, dog-like creature mounted on the end of an unadorned rounded stick. The thick red tongue of the bust is fully extended and measures about 15 inches long and at least two inches thick (30 by 7 centimeters). Another piece, a ceremonial pipe of the Ojibwa of the Great Lakes region, is three feet long and features a carefully detailed black buffalo whose hump was used to house tobacco.

Whether or not any of this is art, Conn says, is not at issue here. To Native Americans, the distinction between fine arts and applied arts did not exist separate from other traditions of daily life. Some objects were created for utilitarian purposes, but they were highly decorated to give spiritual and aesthetic pleasure.

If you miss "Les Indiens D'Amérique," which ends July 31, there is a museum-quality collection of Southwest Indian art, including a selection of Zuni fetiches, at a retail shop at 7 rue des Fossés, Saint Marcel.

The Navajo turquoise shop was created by an American 13 years ago who has since moved back to the United States, where she continues to buy jewelry, baskets and sculptures from Indian families in Arizona and New Mexico.

Maitte Foulon, who has been running the Paris store for 11 years, said customers include private collectors as well as French bidders in leather and denim who are looking for chunky rings and bracelets they say American bikers wear in American movies.

"The American Indians: Objects of Art and Daily Life" (Les Indiens d'Amérique: Les Objets d'Art et de la Vie Quotidienne) is at Art 4, 15 Place de la Defense, La Defense 4, until July 31.

Sheryl Koruman is an American journalist traveling in Europe.



Photos by: Bischof, Burri, Capa, Cartier-Bresson, Erwit, Hass, and other Magnum photographers.

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WEEKEND

Remembering Truman Capote

by Thomas Quinn Curtiss

PARIS — Jack Dumphy, long a companion of Truman Capote and heir to his late friend's estate, came to Paris recently to revisit the places that the two had visited in the 1930s and 1960s when they traveled together and lived for some years in Europe. Dumphy, a distinguished novelist himself, was putting the finishing touches to his memoir of his association with Capote, he calls it "Dear Genius..." and McGraw-Hill is publishing it in the autumn.

Dumphy reports that writing about Capote is becoming an American industry. Six authors are toiling on biographies. Some of these never met him and others knew him only slightly. However, as Capote was constantly in the news from the appearance of his first novel, "Other Voices, Other Rooms," in 1948 until his last years when his inebriated comportment on television and in lecture halls made the front pages, there is probably sufficient material for another 20 volumes.

Dumphy refers to his memoir as a sort of "miracle play." Actually it is more like a mystery play. In Dumphy's reminiscences Capote is the center of a complex story of a groping search for identity. Dumphy introduces himself as a dual character, pictured sometimes as a confident of Capote and sometimes as a priest of shaky faith who strives to fulfill his duties as a brothy keeper.

Capote was born in New Orleans. He grew up in the care of his alcoholic mother and her second husband, a shady gambler but a kind stepfather. An omnivorous reader with enormous curiosity, he taught himself. He never attended a university and believed that four years of college training would have been a waste of his time. When the family moved to New York he secured a job as an office boy at The New Yorker. Soon his stories were in the magazine's pages and his reportage in Vogue and Harper's Bazaar.

Short and stocky, the tawny hair on his large head was cut in bangs, giving his round face a baby aspect. He dressed any which way, but there was chic in the casual manner with which he wore his pre-hippie get-ups. His voice was that of a child, high-pitched and having a trace of mush-mouthed Southern drawl. He gesticulated broadly as he held forth, but what he said was provocative and amusing. He described those he spoke of with expert mimicry.

I met him first in a photographer's studio after his first novel had come out. Rumor of its importance ran before it and there were bids for film rights. Darryl Zanuck bought the rights sight unseen for a fancy price. "After he read it he said the only picture in it was on the cover," Capote giggled.

The book's jacket had a photograph showing the author lounging in a hammock in a modish waistcoat. This photo was reproduced in ads and accompanied reviews of the novel, introducing the latest literary star to the public as a potent baby-faced dandy.



Jack Dumphy (above) and Truman Capote at his desk, around 1970. "Is he trying to commit suicide in public?" Tennessee Williams asked.

starting in wide-eyed surprise at his audience. It caused quite a stir.

Capote captured so much newspaper space that a reader complained that the only information one could find in the dailies was either about Harry Truman, then president of the United States, or Truman Capote. Gossip columns were filled with his quips and he became the pet of cafe society and society hostesses. A good mixer, he was soon mixing with those at the top, multimillionaires, the "beautiful people" and movie stars.

It was at this time that he and Dumphy met. Dumphy had just published his first novel, "John Fury," which dealt with Irish-American family life in his native town, Philadelphia. He was a more rugged individualist than Capote, contemptuous of the mundane set that had taken up the wonder boy from the South. Dumphy was an athlete and a professional dancer and had appeared with his wife, Joan McCracken, in the hit musical, "Oklahoma." The two novice novelists decided to travel together in Italy and Greece.

In the summer of 1950 I happened on them in Sicily. They were sharing a villa in the Taormina hills with a garden of almond and orange trees and an entrancing name: Fontana Vecchia.

"All summer there were fire-works on saints' days and the dark blue sky was tapestried with gushing chrysantheums and leaping stars above the quiet gleam of fishing boats working tirelessly as we played," writes Dumphy. But the two authors worked diligently. Capote completed a book on his travels to exotic lands, "Local Color," wrote "The Grass Harp," and outlined his next novel, "Breakfast at Tiffany's." Dumphy finished his second novel, "Friends and Veggie Lovers."

After this fruitful session in self-imposed exile, Capote was seized with wanderlust. He went to Japan, then joined the "Porgy and Bess" troupe when it was invited to Russia. He recorded that East-West encounter with droll comment in his volume, "The Muses Are Heard."

He made his debut as a playwright with his dramatization of "The Grass Harp." It was lavishly produced on the New York stage with decor by Cecil Beaton and music by Virgil Thomson, but this delicate fantasy about two elderly aunts rearing their adolescent nephew in an Alabama village was too dreamy for Broadway. He followed it with "House of Flowers," a musical with a Harold Arden score. His setting was a vine-clustered brook in Port-au-Prince and it prospered for a season. Capote wanted to disown it, feeling that his whimsical libretto had been vulgarized into a vaudeville show for its star, Pearl Bailey. The theater, he sighed, was not for him.

Writing screen scripts was less trying and more lucrative. His scenario for the John Huston film, "Beat the Devil," brought him a small fortune and he enjoyed attending the location shooting in Italy. Later he was to appear in the movies as an actor and invaded television as a guest on talk shows.

When his eye happened on a dispatch about a mass murder in Kansas he found the subject for what he has long had in mind: a nonfiction novel. A farmer, his wife and their two children had been slain by two drifters. Capote went to Kansas, holed up in a motel, interviewed the killers, relatives and neighbors of the victims, and studied the temper of the community. The trial dragged



on and he flew off to ski in Switzerland to shape his observations for the story he would tell. He returned for the jury's verdict and witnessed the executions.

"In Cold Blood" created an immediate stir with its absorbing account of the crime and its punishment, and the sale of the book's film rights elevated Capote to high-tax status. The elated author celebrated his triumph by throwing a party that received worldwide attention: a masked ball at the Hotel Plaza. Everyone of prominence in the arts and in society was invited and all came. The wonder boy from the Alabama magnolia lands had found room at the top. The Plaza party was his apotheosis.

"In Cold Blood" enlarged his reputation as one of America's foremost authors and there was a curiosity about what he would do next. He had in mind a novel of epic scope about the rich and famous, the cosmopolitan smart set that guides fashions and trends. He was on intimate terms with most of its members and he envisioned a work comparable to Frost's masterpiece about the Parisian *haut monde*. He had selected a title: "Answered Prayers," inspired by the cautioning statement of Saint Theresa of Avila: "More tears are shed over answered prayers than unanswered ones."

Time passed without news of his progress on "Answered Prayers." However, several new stories gave evidence that his descriptive powers and insight were as sharp as ever. One of these, "Hand-Carved Coffins," a riveting, macabre novelette about revenge murders in a small town, is among his best work. A movie company purchased it for \$1 million and he was preparing its screenplay when he died.

background narrative of Paris house disputes and sotto voce proselytizing to picture in lightning flashes the agonizing of the literary Icarus who flew too high. Shortly after the glamorous Plaza festivities Capote in tears confessed to his friend that he depended on drink for inspiration. A compulsive alcoholic, he committed himself to clinics for "cures," but on release he went back to the bottle. He would disappear on pub crawls. He took to traveling frantically, flying to California or Florida without discernable purpose. He was hospitalized again and again. He joined Alcoholics Anonymous, but continued to drink secretly. Finding no relief in alcohol he took to drugs as well.

In 1975, excerpts from "Answered Prayers" were printed in Esquire magazine. The articles — under the heading "Unspoiled Monsters" — shook the author's admirers. He defined these extracts from his work-in-progress as "tail pieces" and in them he reviled those in high places who had befriended him, pillorying them with such excess that his intended stinging satire fell into cheap burlesque. It was not difficult to identify who was who, though he transparently disguised his victims, but his carping distorted them into incredible creatures, monsters indeed. There was no literary distinction to these exposures of "the sin of society." Capote's smooth flowing style, deep and rippling, had vanished together with his manners, his sense of proportion, his subtle humor and his sympathetic understanding of human beings.

This mud-slinging, as might have been expected, closed the doors of the great houses on him. He explained his fatal gaffe childishly: "They knew I was a writer and they told me things."

His extravagant personality still fascinated the nation, though his society elite wanted to hear no more of him. The news about him, however, was bad news. His intoxication was often apparent when he was seen on television; he was arrested for drunken driving; and during a lecture at a Maryland university he had to be removed from the platform, drunk, incoherent and using obscene language.

"Is he trying to commit suicide in public?" inquired Tennessee Williams, who he had insulted in his "tail pieces." It appeared that he was.

Once in delirium he muttered a confused story about the theft of his precious manuscript. Dumphy nursed him, but, exasperated by his broken promises never to touch another drop, shouted at him.

"Do you know Thoreau's advice to the town drunk?"

"No, what?" Capote asked. "Cut your throat."

Dumphy's explanation of his friend's violent attacks on those he had assiduously cultivated is simple: He went mad. The insane have the boon of irresponsibility, but other elements motivated his derangement. He was a non-conformist in continual contest with the status quo, the case of the artist of fearless independence. He had an open and nimble mind. He belonged to no clique. Both collective radical chic with its futile platitudes and WASPish law and order were alien to him. In his own fashion, he more effectively pleaded the cause of the excluded, the despised. He looked on life with a sense of childish wonder and saw things through an original temperament. He would have been a misfit in any society, as the authentic artist inevitably is.

INTERNATIONAL ARTS GUIDE

- BELGIUM: BRUSSELS: La Louve, Credit Général de Banque (tel: 516.12.11). To Sept. 4: Campaign Posters Between Two Wars. Musée Royaux d'Art et d'Histoire (tel: 733.96.10). To December 31: Chinese Pochain. Palais des Beaux-Arts (tel: 512.50.45). To July 31: In search of the photo-novel: exposition of photos by Marie-Françoise Pissart. Travers (tel: 218.40.86). To July 31: Jazz photography: work by photographer Jacky Lepege. ENGLAND: LONDON: Barbican Centre (tel: 638.41.41). To July 19: A Paradise Lost. The Neo-Romantic Imagination in Britain, 1935-1955: A re-examination of Neo-Romantic art in Britain from the late 1930s to the mid 1950s focuses on painters, filmmakers, and photographers who eschewed Pop and Abstract art for more mystical and symbolic themes. Artists include Michael Ayrton, Cecil Collins, John Cranston, David Jones, John Stanton and Carl Richards; photographers include Edwin Smith, Bill Brandt, John Piper and Paul Nash. Hayward Gallery (tel: 928.57.08). To Sept. 27: Pictures 1982-1986: retrospective of the work of British artists Gilbert and George. New Work: latest stages of the art of Gilbert and George. This rare exhibition of the work of contemporary artists includes work from their European tour which originated in Bordeaux. To Sept. 27: Masson Surrealist Paintings: 140 drawings by André Masson, one of the leaders of the Paris Surrealist movement. Many of the drawings, which cover the period 1922-74, have not previously been exhibited. Royal Academy of Arts (734.50.52). To Oct. 25: Master Drawings from the Jan Woodner Collection: The collection is made up of nearly every major school of European art over the last six hundred years, from the early Renaissance to the Impressionists. Italian Renaissance drawings include works by Fra Angelico, Leonardo, Raphael and Tiepolo. Durer, Hoffman, and Holbein the Younger are among the Northern School, and Dutch artists include van Goyen and Rembrandt. The French school is represented by Watteau, Redon, Cézanne, and Matisse. Tate Gallery (tel: 821.13.13). To the controversial Turner exhibition in the new Clare Gallery. FRANCE: PARIS: Centre Georges Pompidou (tel: 42.77.12.33). To Sept. 8: New Tendances in 20th Century Avant-Garde. To October 11: Drawings by Antonin Artaud. Galerie Schmit (tel: 42.60.36.36). To July 18: French Masters of the 19th and 20th Century: annual spring exhibition of French artists of the past two hundred years. Artists include Degas, Cézanne, Nicolas de Stael, Toulouse-Lautrec, etc. Grand Palais (tel: 42.61.54.10). To January, 1988: The Third Eye of Jean Henri Lartigue: photography by contemporary French photographer Jean Henri Lartigue. To July 20: Tennis, Gold of the Pharaohs. Louvre des Antiquaires (tel: 42.97.27.00). To Sept. 5: The Painter Before His Mirror: Gérard Schurr collection of 222 self-portraits. To Sept. 21: Ornamentalists of the 15th to the 17th Centuries: drawings from the private collection of Edmond de Rothschild. Musée des Arts Décoratifs (tel: 42.60.32.14). To Aug. 30: Permanent collection and 20th century collection: presentation of pieces from the Drouot Buffet Donation. Musée Carnavalet (tel: 42.72.21.13). To Sept. 9: Les Chartreux: works concerning the religious history of France. GERMANY: STUTTGART: Staatsgalerie (tel: 212.50.50). To Aug. 9: British Art in the 20th Century: exhibition of lesser known British artists in the period from 1910 to 1970, organized by the Royal Academy of Arts. ITALY: ROME: Galleria d'Arte Moderna. To September 6: Le Stanze della Memoria: pieces from the collection of worldly literary critic Mario Praz (1776-1870). VENICE: Museo Correr (tel: 25625). To Oct. 18: Matisse and Italy: impressive collection of Matisse paintings, drawings and sculpture (the 75 pieces of sculpture include all of his works in that medium). To Aug. 2: American Art in the 60s: exhibition from the Ludwig Museum in Cologne of works by 25 artists including Warhol, Lewitt, Dine, Stella, Noland and Paoletti. JAPAN: TOKYO: National Museum of Modern Art. To Aug. 9: 100 works on loan from museums in Munich, Paris, Moscow and New York. SCOTLAND: EDINBURGH: National Gallery (tel: 556.89.21). To Oct. 11: French Master Drawings from Stockholm: 125 works from the Swedish National Museum's distinguished collection of French 18th century drawings. Gallery of Modern Art. To Oct. 25: new Scottish Art work by over a dozen young Scottish artists. SPAIN: MADRID: Centro de Arte Reina Sofia. To Sept. 6: Fernando Botero Collection: 100 works from private collections by Colombian painter, Fernando Botero. To Sept. 15: Spanish Pavilion in the International Exhibition of 1937: exhibition recreates art and architecture of Civil War period, including Picasso, Calder, Miró and others. UNITED STATES: The Art Institute (tel: 443.36.24). To Sept. 6: 18th Century Turkish Art: 210 pieces of Turkish art during the period of "The Lawgiver" Sultan Suleyman. NEW YORK: Cooper-Hewitt Museum (tel: 860-6868). To July 19: Frank Lloyd Wright and the Johnson Wax Building: drawings, prints, furniture, and decorative arts. To Sept. 20: Robert Adam and Kollerton: the 18th century architect's drawings and paintings of the Neo-Palladian British mansion in Derbyshire. To Oct. 11: Art Nouveau Bing: an exhibition of 200 prints, posters, decorative art objects and furniture to illustrate the beginnings of Art Nouveau, and the international influence of Siegfried Bing (1838-1905), whose shop, L'Art Nouveau gave its name to the whole movement. July 28 to Nov. 8: Underground Images - Subway Posters: New York City's School of Visual Arts, celebrating its 40th anniversary, has organized an exhibition of subway posters designed by such graphic designers as Milton Glaser, Ivan Chermayeff, Paul Davis and others. The school is said to be the largest arts college in the country and has been especially innovative in the field of computer graphics. Guggenheim Museum (tel: 360.35.00). To Aug. 23: Joan Miro Retrospective: first retrospective of the artist's work since his death, 150 pieces include paintings, drawings, ceramics and collages. Jewish Museum (tel: 860.1888). To Aug. 16: Chagall and the Bible: in honor of the centennial of Marc Chagall's birth comprises 105 etchings, a series of illustrations for the Bible begun in the 1930s and completed in the 1950s. The suite, recently acquired by the Jewish Museum, has rarely been exhibited in its totality. Accompanying the Bible prints will be a number of major works by Chagall — dating from his Fauve and Cubist periods through the late work of the 1980s — illustrating Chagall's lifelong interest in the Bible. Metropolitan Museum of Art (tel: 535.77.10). To July 31: Masterpieces of Sung and Yuan Calligraphy and Painting. To Sept. 6: Costumes from Costume Institute. To Jan, 1988: Houses for the Hereafter, Furnerary Temples from Guerrero, Mexico. Museum of Modern Art (tel: 708.94.00). To Sept. 8: Bedriart 1961-1987: the last 25 years seen through 150 works of 29 Bedriart artists and 27 artists from other countries, including Georg Baselitz, Markus Lüpertz, Malcolm Morley, David Hockney, and Bernd Zimmer. To August 18: Selection of the publications of Russian artist Ilya Zdanevich, focusing on his innovative book designs — 22 volumes done between 1923 and 1974 and illustrated by such artists as Jean Arp, Max Ernst, Alberto Giacometti, Henri Matisse, Joan Miró, Pablo Picasso and Jacques Villon. Morgan Library, (tel: 685.00.08). To July 31: European Decorative Arts from the Wadsworth Athenaeum in Hartford. To July 31: J.P. Morgan's Manuscripts and Montague Rhodes James. New York Public Library (tel: 212.76.76). To Sept. 4: A musical tribute to the Constitution in early editions, portraits, and other items. To Sept. 11: Tribute to Jerome Robbins. To Sept. 12: Original costumes and costume design by Dagmar Scharoberger. Whitney Museum of American Art, Madison Avenue at 75th Street (tel. 570.36.00). To Aug. 30: 20th Century American Art: highlights of the permanent collection. WASHINGTON, D.C.: National Gallery, (tel: 737.42.15). To July 26: Selections from the Windsor Royal Collection for the first time in Washington. Works include drawing by Italian masters Leonardo, Michelangelo, and Raphael.

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FRIDAY, JULY 10, 1987

WALL STREET WATCH

Market, Buoyed by Record, Expected to Continue Climb

By VARTANIG G. VARTAN

New York Times Service

NEW YORK — Investors were cheered Wednesday as the Dow Jones industrial average, the most closely watched barometer of the stock market, rose 14.19 to a record 2,463.97. Most market professionals expect stocks to chart an upward course over the rest of the year.

Their optimistic appraisal is anchored on what they see as likely prospects of moderate inflation, modest economic growth and ample supplies of money to invest.

In particular, the dollar's recent strength has encouraged stock buyers. By contrast, last spring's weakness in the dollar caused stock and bond prices to drop sharply. Looking ahead, a number of market strategists see an continued strength in the nation's currency as speeding the flow of equity-bound money from overseas.

But market participants do not expect gains in the second half to match those of the first six months, when the Dow industrials charged ahead 27.56 percent, or 522.58 points, to finish at 2,418.53 on June 30.

For one thing, there is the sobering lesson of last year, when the Dow climbed 22.37 percent in the opening half and then limped through the final six months with a gain of 0.17 percent.

Only four entire years in the postwar era — 1954, 1958, 1975 and 1987's opening half. The Dow's top performers, with gains ranging from 135.29 percent down to 45.35 percent, were Bethlehem Steel, Goodyear Tire, Navistar International, Alcoa and USX. The only losers were Boeing, down 8.31 percent, and Primavera, off 1.04 percent.

"My target for the Dow in the second half is 2,750 to 2,800," said Linda Newman, president of the Atlanta Capital Corp., a money management concern in New York. "I like International Business Machines, Warner-Lambert and Merck, along with Time, Macmillan and Sara Lee," she said, adding that she would still avoid the interest-sensitive groups.

"My target for the Dow is 2,700," said Greg A. Smith, investment strategist for Prudential-Bache Securities. "The distant cloud I spy has to do with the fact that the stock market continues to rally on what it has rallied on for the last three years — signs of lower interest rates," he added. "If the economy is to really improve as a result of the dollar's present weakness, interest rates simply aren't going to go lower. My hope is that the earnings reports this summer are going to loosen some of that interest rate dependency."

IF THE STOCK MARKET does not start to discount improved profits and depend less on a better credit market, Mr. Smith warned, "I think we are in for a rough road after the end of the summer."

One unusual feature of this bull market is that stock prices kept climbing without any improvement in overall corporate profits. Falling interest rates permitted price-earnings multiples of stocks to expand.

"The days of multiple-driven advances in stock prices are over, in our opinion," said Robert S. Salomon Jr., head of equity research at Salomon Brothers. "We believe that a further increase in the stock market is now highly dependent on improvement in corporate profits."

When Shearson Lehman Brothers recently announced its list of 10 uncommon values in common stocks, Jack Rivkin, the director of research, suggested a trading range of 2,250 to 2,600 over the next 12 months. Shearson's 10 stocks are Baker Hughes, Coastal Corp., Cray Research, Hanson Trust, Hawley Group, McDonald's, Media General, NWA Inc., Service Corp. International and Tyco Laboratories.

Steven C. Lenthold, who heads the Lenthold Group, an investment advisory firm in Minneapolis, sees the market dangerously high in terms of historic norms for book value, dividend yield, price-earnings ratios and cash-flow multiples.

Currency Rates

Cross Rates	July 9
American	2.8485
British	1.6275
Canadian	1.2515
Deutsche	1.7515
French	6.5455
Italian	1.3665
Japanese	163.65
Swiss	1.4815
West German	1.7515
Yen	163.65

Interest Rates

Europe	July 9
1 month	4.5-4.75%
3 months	4.75-5.0%
6 months	5.0-5.25%
1 year	5.25-5.5%

U.K. Bank In Talks With UBS

Hill Samuel Chief Resigns in Protest

By Peter Maass
International Herald Tribune

Hill Samuel Group PLC, the British merchant bank, said Thursday it is holding talks with Union Bank of Switzerland that could lead to a takeover bid by the Swiss bank. Hill Samuel also said its chief executive, Christopher Castleman, resigned, protesting the negotiations.

The announcement of the talks brought a sharp jump in Hill Samuel's share price, and other British merchant bank stocks also rose. Banking sources said the market appeared to believe that the Hill Samuel bid may be the start of a wave of takeovers in Britain's merchant banking sector.

"It may be that we're into the much-forecast second wave of Big Bang acquisitions," said a senior British banker. The first wave of acquisitions came with the liberalization of the London financial sector with widespread acquisitions in 1984 and 1985 of British brokerage houses.

Sources at Hill Samuel and UBS said that the talks are not yet at a final stage. "There is still some way to go," said a senior official at the investment firm J. Henry Schroder Wagg, which is advising UBS. "It's more likely to be weeks rather than days" before a deal is struck, he added.

Trading in Hill Samuel shares was briefly suspended Thursday morning to allow the firm to announce the talks and the resignation of Mr. Castleman. Once trading resumed, the shares shot up 164 pence to 676 pence, valuing the merchant bank at about £600 million (\$972 million), sources said.

The acquisition, if agreed on, would significantly increase UBS's position on the London and international financial scene. UBS, the largest Swiss bank, already has a Eurobond-dealing unit in London, and it completed a takeover in 1985 of Phillips & Drew Ltd., a top London brokerage house.

"It would make them a pretty See BANKS, Page 15"

Soviet Sales Turn a Harsh Spotlight on Toshiba

Electronics Maker Hopes To Limit the Damage

Special to the Herald Tribune

TOKYO — For years, one word seemed to describe Toshiba Corp. best: stodgy. But under its chairman, Shoichi Saba and its president, Sogichiro Watari that seemed to be changing. The Japanese electrical and communications giant, long known for its technical excellence, was finally shaking off its reputation for mediocre marketing.

Now Toshiba is trying to shake off something more damaging: harsh Western criticism over revelations that a subsidiary sold sophisticated machinery with military applications to the Soviet Union. And Mr. Saba and Mr. Watari are gone, scandal victims and one of the biggest technology scandals ever to have engulfed a Japanese company.

With separation pending before Congress that could bar Toshiba from doing business in the United States for two to five years, the company is being forced to look inward at how the scandal could have happened, and how it can rise above it.

According to U.S. officials, Toshiba Machine Co., a relatively small child of the parent company, violated Western security regulations covering exports of advanced machine tools to Communist countries. The officials say that the unit supplied propeller-milling equipment to the Soviet Union, permitting the Russians to construct submarines that run more quietly and thus are much harder to detect.

After the sales were revealed, Toshiba Corp. tried hard to distance itself from its subsidiary. But the resignations of Mr. Saba and Mr. Watari after just 15 months in their posts underscored the parent company's sense of responsibility in the affair. "We are feeling a grave responsibility for disturbing the world," Mr. Saba is reported to have said after he resigned.



Toshiba ex-chairman, Shoichi Saba, with the new president, Joichi Aoi, left.

According to analysts, the loss of Mr. Saba, 68, and Mr. Watari, 62, will hurt Toshiba, although the full impact will be limited since both will remain as advisors to the company. The loss will be felt in other crucial ways as well. Toshiba — like the rest of its Japanese competitors — had been eager to participate in the U.S. space-based defense initiative, popularly known as Star Wars. But the U.S. Congress seems unlikely to trust Toshiba with the technological secrets of such a huge project, given the events of the last few months. Analysts say this could seriously undermine the company in its race against its rivals.

Company officials are not talking to the press. But Joichi Aoi, a 61-year-old senior executive vice president who has replaced Mr. Watari as president — usually considered a more crucial job in Japan than chairman — has said that if the sanctions come to pass, "a disastrous thing would take place."

operation the first seeing robot. More recently, it became the first company to mass-produce one-megabit dynamic random access memory, or DRAM, chips, heralding the next generation of computers. And this past April, it said it had developed the world's first wire made of a ceramic material capable of achieving superconductivity at relatively high temperatures.

It is also one of the world's largest maker of consumer electronics goods — of which lap- See TOSHIBA, Page 15

Kongsberg: Out of the Shadows

By Juris Kaza
Special to the Herald Tribune

A/S Kongsberg Vapensfabrikk, the Norwegian arms maker, had until recently eluded controversy — even notice — almost as deftly as one of the nearly silent Soviet submarines that has the company in so much trouble with the United States.

But now its role in what is being called "the Toshiba affair" has made the state-owned company the subject of scrutiny and criticism on two continents.

Kongsberg, along with Toshiba Machine Co., violated Western security agreements by selling the Russians propeller-milling equipment that the advanced propellers, permit Soviet submarines to run more quietly and evade detection. U.S. officials say Kongsberg makes the numerical controllers and computer software needed to operate the machine tools.

The incident, first disclosed in May, has embarrassed the Oslo government because the company is run by Norway's Ministry of Defense. In recent weeks the Americans have been particularly critical of Norway's initial inquiry, which resulted in an indictment of one unidentified British employee of Kongsberg.

A Kongsberg spokesman said that no top managers had been removed or replaced as result of the sales to the Russians. However, the department involved in the sales has been disbanded.

In a new development on Wednesday, The New York Times reported that Oslo investigators were now examining more than 150 other shipments by Kongsberg to the Russians.

Thor Axelbush, the Norwegian prosecutor, told the Times that the Oslo authorities had confiscated thousands of pages of documents from Kongsberg and were trying to trace tools.

See KONGSBERG, Page 15

U.S. Bill On Trade Is Assailed

Europeans Say It Would Trigger Countermoves

Compiled by Our Staff From Dispatches

WASHINGTON — The European Community, after three days of inconclusive talks here, sharply criticized Thursday the trade legislation before the U.S. Congress. EC officials said it would set back world trade and trigger retaliatory action against U.S. exports.

The EC commissioner for external relations, Willy De Clercq, and the EC commissioner for agriculture, Frans Andriessen, made the attack in a statement issued after extensive talks with Senate and House leaders on the legislation.

The EC commissioner for external relations, Willy De Clercq, and the EC commissioner for agriculture, Frans Andriessen, made the attack in a statement issued after extensive talks with Senate and House leaders on the legislation.

The Europeans also seemed to reject President Ronald Reagan's call for a worldwide end to agricultural subsidies.

"A complete phasing out, exposing European farmers to all that's happening on the world market, is not a foreseeable situation," said Mr. Andriessen.

In Geneva on Monday, U.S. trade representatives proposed that agricultural subsidies worldwide be eliminated within 10 years, and all trade barriers end by the turn of the century.

Mr. De Clercq warned that passage of proposed protectionist trade legislation by Congress could lead to retaliation against U.S. exports to Europe.

The EC officials said in their statement that many of the proposals would affect the EC. (Reuters, AFP)

Victory for Labor

The Senate, in a showdown vote Thursday between business and labor interests, refused to remove from the trade bill an amendment forcing big companies to give workers 60 days notice of plant closings or mass layoffs, United Press International reported from Washington.

The U.S. Chamber of Commerce said it would not support the trade bill with such language included.

Whiz Kid of ZZZZ Best Is Called on the Carpet

Reputation Shattered by Charges

By Richard W. Stevenson
New York Times Service

LOS ANGELES — At the age of 21, Barry J. Minkow has experienced degrees of fame, fortune and notoriety that few people achieve in a lifetime. Having made millions of dollars from a carpet-cleaning company he started in his parents' garage six years ago, he became an entrepreneur hero to many in Southern California.

But Mr. Minkow now faces a rash of legal problems that have shattered his reputation and could lead to criminal prosecution. He is being investigated for links to organized crime and is already fighting allegations that he misappropriated more than \$23 million from his own company, ZZZZ Best Co., driving it to bankruptcy court.

Wednesday, members of the Los Angeles Police Department's Organized Crime Intelligence Division searched ZZZZ Best's offices and Mr. Minkow's home in suburban Los Angeles. The police said an investigation had uncovered substantial evidence that the company had been used to legitimize "huge profits from narcotics sales by organized crime. A spokesman said the police were searching for documents that would trace the flow of the company's money.

Mr. Minkow resigned from the company July 2, citing health reasons. On Monday, following an internal investigation, the company filed a civil suit charging that Mr. Minkow and several associates had engaged in an "elaborate scheme" to divert money for their own use.

See CARPET, Page 13

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U.S. Oil Prices Go Over \$21 On News of Tanker Attack

Compiled by Our Staff From Dispatches

NEW YORK — Oil prices rose past \$21 a barrel on the New York Mercantile Exchange on Thursday to the highest level in 18 months after an Iranian gunboat attacked an American-operated supertanker in the Gulf.

West Texas intermediate — the benchmark U.S. crude for immediate delivery on the Merc — soared by 35 cents to \$21.23 a barrel. It was the first time that the crude had closed above the \$21 level since it finished at \$21.27 a barrel on Jan. 20, 1986.

Prices advanced in Europe, where North Sea Brent for July was trading as high as \$19.75, up 25 cents, and August cargoes were at \$19.65. The most widely traded Middle East crude, Dubai, was up 10 cents from Wednesday at \$17.55 a barrel.

The news of the attack provided further upward momentum to a market in which prices have risen sharply since last month's meeting of the Organization of Petroleum Exporting Countries in Vienna, during which new output controls were set for the rest of 1987.

The supertanker, the Peconic, was registered in Liberia and under charter to a subsidiary of Texaco Inc. The final cargo would have been about 2 million barrels, Texaco said.

William Byers, analyst for Bear Stearns & Co., said the market probably would stay firm, without major movement. (UPI, Reuters)



Key Money Rates July 9

Discount rate	5%
Federal funds	4.0-4.25%
Call money	3.75-4.0%
3-month Treasury bills	4.0-4.25%
6-month Treasury bills	4.25-4.5%
1-year Treasury bills	4.5-4.75%

Gold July 9

Spot	338.00
1 month	338.00
3 months	338.00
6 months	338.00
1 year	338.00

U.S. Money Market Funds July 9

Merrill Lynch Ready Assets	4.80
30-day average yield	4.80
Telerteil interest rate	4.80

Gold July 9

Spot	338.00
1 month	338.00
3 months	338.00
6 months	338.00
1 year	338.00

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REAL ESTATE FOR SALE

FRENCH PROVINCES... FRENCH ALPES / COTE D'AZUR, Beautifully furnished villa...

REAL ESTATE FOR SALE

ITALY... FLORENCE / FIAT WITH 4 ROOMS, Private person selling marvelous flat...

REAL ESTATE FOR SALE

ITALY... VILLA IN CARRI, 4/6 bedrooms, each with bathroom...

REAL ESTATE FOR SALE

ITALY... TUSCANY, renovated farmhouse near Cortona...

REAL ESTATE FOR SALE

HOLLAND... VERY ATTRACTIVE TOWNHOUSE, Old center DEN-HAAG...

REAL ESTATE FOR SALE

KENYA... OFF KENYA COAST, On lovely sandy beach...

REAL ESTATE FOR SALE

MEXICO... SAN MIGUEL DE ALLENDE, charming town, foreigners can buy 100%...

REAL ESTATE FOR SALE

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MEXICO... SAN MIGUEL DE ALLENDE, charming town, foreigners can buy 100%...

REAL ESTATE FOR SALE

MONACO... PRINCIPALITY OF MONACO, Superb 3 bed apartment in complex...

REAL ESTATE FOR SALE

MONACO... MONTE CARLO, beautiful villa, 108 sqm, ideally situated...

REAL ESTATE FOR SALE

MONACO... NEAR BEACH, 17th floor, beautiful view, large 4 1/2 rooms...

REAL ESTATE FOR SALE

MOROCCO... MARRAKECH 12 ROOM HOUSE, Old romantic setting, 2 bedrooms...

REAL ESTATE FOR SALE

MOROCCO... PLACE-DES VOSGES, Superb ground floor apartment...

REAL ESTATE FOR SALE

MOROCCO... CELESTINE CLUB / VALENCIENNE, Owner built modern villa, 260 sqm...

REAL ESTATE FOR SALE

MOROCCO... PARC DE MAJALIMASSON, Formerly de Majalimasson, 2 houses of 4,000 sqm...

REAL ESTATE FOR SALE

MOROCCO... 16TH RUE WEBER, 79 sqm, owner built modern villa...

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MOROCCO... 16TH RUE WEBER, 79 sqm, owner built modern villa...

REAL ESTATE FOR SALE

SPAIN... BEZA, For immediate sale by owner, Charming restored villa...

REAL ESTATE FOR SALE

SPAIN... MODERN LAKE SAVING, 2 bedrooms, 2 bath, 100 sqm...

REAL ESTATE FOR SALE

SPAIN... MODERN LAKE SAVING, 2 bedrooms, 2 bath, 100 sqm...

REAL ESTATE FOR SALE

SWITZERLAND... 60's between 3rd & Lacomb Street, Beautifully furnished apartment...

REAL ESTATE FOR SALE

SWITZERLAND... SWITZERLAND, 2 bedrooms, 2 bath, 100 sqm...

REAL ESTATE FOR SALE

SWITZERLAND... SWITZERLAND, 2 bedrooms, 2 bath, 100 sqm...

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REAL ESTATE FOR SALE

SWITZERLAND... SWITZERLAND, 2 bedrooms, 2 bath, 100 sqm...

REAL ESTATE FOR SALE

USA RESIDENTIAL... BEAUTIFUL CONNECTICUT, Beautifully furnished apartment...

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REAL ESTATE FOR SALE

USA RESIDENTIAL... BEAUTIFUL CONNECTICUT, Beautifully furnished apartment...

REAL ESTATE TO RENT/SHARE

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REAL ESTATE TO RENT/SHARE

BUSINESS ROUNDUP

Wolters Samsom Raises Kluwer Bid

By Ronald van de Krol
Special to the Herald Tribune
AMSTERDAM — Wolters Samsom Groep NV, the "white knight" trying to save fellow Dutch publisher Kluwer NV from an unfriendly takeover by Elsevier NV, raised its agreed takeover terms for Kluwer on Thursday as it launched a public tender offer. The offer is valued at nearly \$500 million.

just over 1 billion guilders (\$484 million). Originally, Wolters Samsom offered to swap three ordinary shares for each of Kluwer's. A direct comparison between Wolters Samsom's two bids is difficult. But based on Thursday's closing prices and assuming all the preference shares are converted, the new bid values each Kluwer share at 425 guilders. Elsevier's offer, of six of its ordinary shares plus \$75 in cash, values Kluwer's 2.43 million shares at 423 guilders each.

Analysis said Wolters Samsom had been forced to improve its offer after Elsevier announced last week that it had already captured up to 24 percent of Kluwer's ordinary shares on the open market. One analyst noted that even if Elsevier gained all Kluwer's ordinary shares, it would still not win majority control. Kluwer, to dilute the voting power of the ordinary shares, has issued millions of preference shares to a Kluwer foundation and to Wolters Samsom.

Profits at Issue At French Banks

PARIS — French bank profits rose by more than 30 percent in 1986 to 120 billion francs (\$19.6 billion), but future profitability might not be assured if banks don't do more to cut costs, the Banking Commission reported Thursday. It said that while the average annual increase in operating costs had been cut from nearly 20 percent in 1981 to 5.5 percent in 1986, the rate of growth was higher than the rate of inflation, 2.1 percent last year. Over the last four years operating costs had risen 42 percent while the consumer price index had risen 24.7 percent.

Former Crocker Executives Reunited

By Arthur Higbee
International Herald Tribune
W. Keith Smith, who helped Frank V. Cahouet cut loan losses at Crocker National Corp. of San Francisco, has rejoined his old chief at Mellon Bank Corp. in Pittsburgh to try to do more of the same. Last month Mellon hired Mr. Cahouet, 55, to replace J. David Barnes, who was dismissed by Mellon's board in April after the bank holding company reported a \$59.8 million quarterly loss, cut its dividend and forecast a large second-quarter loss.

McLean Industries of New York, the big American-flag shipping company, has promoted Robert G. Truesdell 2d to president and chief executive. Mr. Truesdell, 38, had been president and chief executive of another McLean venture, First Colony Farms Inc., a real estate subsidiary. He succeeds Charles I. Hiltzheimer, 59, who took the posts last November shortly after the company filed for court protection under Chapter 11 of the Federal Bankruptcy Code. Mr. Hiltzheimer will continue to be an adviser on matters relating to McLean's shipping subsidiaries.

Occidental Petroleum Corp. of Los Angeles has promoted Joseph F. Snape to president of Occidental Petroleum (Caledonia) Ltd., the company's British subsidiary. Mr. Snape, 49, an American, had been general manager of Occidental's North Sea operations since 1981. Chemical New York Corp. has appointed Francois B. Larsen as general manager of Chemical New York Capital Market Corp., its securities subsidiary in Geneva. Mr. Larsen, 31, a Danish-born Swiss, had been deputy director. He succeeds the interim general manager, Janhar Musters, who will return to his post as chief operating officer for Chemical's merchant banking subsidiary in London, Chemical Bank International Ltd.

Chief Resigns As US Sprint Takes a Charge

The Associated Press
KANSAS CITY, Missouri — Charles Skibo, president of unprofitable US Sprint Communications Co., has resigned from the long-distance phone concern, it was announced Thursday by United Telecommunications Inc. and GTE Corp., Sprint's owners. The companies said Robert Suedaker, 61, former vice chairman and chief operating officer of United Telecommunications, would replace Mr. Skibo, 48. The partners also said Sprint's financial results for the second quarter of 1987 would include a nonrecurring pretax charge against earnings of about \$350 million. Mr. Skibo resigned "to pursue other business interests."

US Sprint's \$350 Million Charge Hurts Parents

KANSAS CITY — United Telecommunications Inc. said Thursday that at \$350 million pretax charge at US Sprint Communications Co., its joint venture with GTE Corp., will force it to post an after-tax charge of about \$109 million in the second quarter, or \$1.09 a share. GTE said its share of the charge at the long-distance phone company, after taxes, would be \$55 million, or 16 cents a share. The companies said that the one-time charge at US Sprint would cover the writedown of obsolete equipment as it switched to a fiber-optic network and an increased provision for uncollectible customer bills. GTE said its pretax share, or \$175 million, would be partially offset by a pretax gain of about \$75 million from pension settlements. GTE, based in Stamford, Connecticut, said it would post a profit for the second quarter despite the US Sprint charge. GTE earned 78 cents a share for the first quarter and 92 cents a share for the second quarter of 1986. United Telecommunications earned 13 cents a share for the first quarter and 57 cents a share for the second quarter of last year. It said that US Sprint was making good progress in rectifying the billing problems that have hurt the carrier's results ever since it was formed in June 1986, when GTE and United Telecom merged their ailing long-distance units.

\$49.1 million after \$42 million in the year-ago period. Earnings per share rose to 51 cents from 43 cents, on revenues up 9.7 percent at \$313.1 million from \$283.3 million. For the first half, profit rose to \$115.8 million, or \$1.20 a share, from \$103.8 million, or \$1.07, on sales of \$598.6 million after \$545 million in the year-earlier period. Thorn EMI Profit Soars LONDON — Thorn EMI PLC said Thursday that pretax profit jumped 52.3 percent to £159.5 million (\$258 million at current exchange rates) in the year ended March 31, after £104.7 million in the previous year. Operating profit rose 23.6 percent to £173.3 million from £140.2 million, but sales actually fell slightly, to £3.19 billion from £3.22 billion. Thorn said its withdrawal from the major domestic appliance market this year was an important strategic move, divesting it of a business with doubtful potential, and the group is now poised for continuous steady profit growth. The major domestic and commercial appliances businesses were sold to Electrolux AB of Sweden in June for around £44 million. (Reuters)

gan became a public company in 1959, but Wednesday's announcement from the nation's fourth-largest bank holding company had been expected, following the recent move by U.S. banks to boost their bad loan provisions. Although Morgan has \$1.3 billion in Brazilian loans that have been reclassified as nonperforming, its total nonperforming assets excluding Brazil fell in the quarter, to \$434 million, from \$672 million a year ago. Morgan's total allowance for loan losses was \$1.76 billion as of June 30, or 5.35 percent of total loans outstanding, compared with \$247 million, or 2.22 percent, a year earlier. (AP, NYT)

originally announced. JMB will pay 34 Canadian dollars a share (\$25.70) in cash. Koninklijke Nedlloyd Groep NV said it would cancel its joint conventional-cargo Asia service with Mitsui OSK Lines Ltd. Lombio PLC plans to raise \$56 million (\$90.6 million) through the issue in Japan of 20 million ordinary shares at \$2.84 each through 34 Japanese brokerages. Marriott Corp.'s negotiations have stalled in the attempt to buy Denny's Inc. and create the largest U.S. chain of family restaurants. Denny's said it considers the deal dead. Morgan Stanley Group has announced that the trade giving Paul A. Bilzerian 4.1 million shares of Pay 'N Pak Stores Inc. was canceled when a U.S. judge barred the purchase, which would have given Mr. Bilzerian control. Shell Winingham has concluded an agreement with the state-owned Egyptian General Petroleum Corp. using a new gas clause. It allows companies exploring for oil to sell gas they find to the government at a market-related price rather than simply recovering the costs of exploration and production.

The Mouse That Roared: WPP's Bid for JWT

By Steve Lohr
New York Times Service
NEW YORK — The successful \$566 million bid by a tiny British marketing company, WPP Group PLC, for the world's fourth-largest advertising concern, JWT Group, was a minnow-swallows-whale corporate tale, the most daring and audacious move ever seen by Madison Avenue. What made the acquisition possible was an innovative financing structure put together by WPP and its 42-year-old chief executive, Martin S. Sorrell. The package included a couple of distinctively British features and a new attitude toward risk in the deregulated London financial community. Even amid the growing spate of trans-Atlantic takeovers, the WPP action was unprecedented for its speed, structure and equity risk. The cash was financed largely by a tripling of WPP's shares outstanding. Previous trans-Atlantic deals have typically involved big British companies whose bids were financed internally or through bank loans. There has never been a hostile deal by a British company going after a U.S. company with anything like this kind of financing, said Richard Kelly, a London vice president of First Boston Corp. Mr. Sorrell began plotting his assault last February in the private dining room of the British merchant bank Samuel Montagu & Co. Samuel Montagu and WPP began to assemble a stake in JWT, financed mainly by the merchant bank.

By late June it came to nearly 5-percent, worth \$14.8 million — more than four times the WPP assets. Before WPP made its initial bid of \$45 a share for JWT on June 10, one of the options presented by First Boston was an American-style formula, which would have depended largely on debt. This structure would offer easier access to funds, but it would also mean pressure to generate cash flow. Mr. Sorrell rejected the leveraged option, preferring to sell more stock. One banker described the attitude of Mr. Sorrell, who was educated at Cambridge University and Harvard Business School, as mid-Atlantic: willing to take more financing risk than most Britons but balking at U.S. debt levels. The initial \$450 million bid was to be financed through a \$285 million stock issue, with Samuel Montagu and Credit Suisse First Boston Ltd. underwriting. When the bid was raised on June 26 to \$566 million, the equity portion was increased to \$340 million. It will be distributed through a rights issue where current shareholders will have the right to purchase two WPP shares priced at just over \$14 each for every share held. Shareholders do not have to exercise that right, and the underwriters, who are left with unwanted stock, face greater potential risk than on new-share issues in the United States, where rights issues are not floated. Before the deregulation of London's financial markets last October, this kind of rights issue was all but unknown. Moreover, the speed of the bank decision, 20 minutes on the raised bid, would never have been considered.

J.P. Morgan Posts Loss NEW YORK — J.P. Morgan & Co. has posted a \$596.4 million loss for its second quarter, after a \$237 million profit in the year-ago period, as a result of the bank holding company's decision to add \$875 million to its reserve for possible bad loans. The loss was the first since Mor-

Dainippon Ink Delays Buying Reichhold Stock

The Associated Press
NEW YORK — Dainippon Ink & Chemicals Inc., which has bid \$473 million for Reichhold Chemicals Inc., said Thursday it would delay acquiring Reichhold shares until Aug. 7, while Reichhold agreed to provide it with certain nonpublic information. Dainippon said it extended its \$52.50 a share tender offer for the specialty chemical company through Aug. 6, instead of the original July 23 deadline. Reichhold's stock fell 62.5 cents Thursday to close at \$63.375 on the New York Stock Exchange. Reichhold initially rejected the unsolicited offer. But Dainippon has indicated it might sweeten its bid, and Reichhold has said it was talking with other potential acquirers.

CARPET: Cleaning Firm's Whis Kid Swept Up in 'Laundering' Allegations

(Continued from first finance page) ry was 9, she started taking him to work because she could not afford a baby sitter. He learned the basics of carpet cleaning and demonstrated a salesman's instinct by calling prospective customers. At 15, operating out of his parent's garage, he started his own company. His friends had to drive him to appointments because he was not old enough to drive. Within a year he had his license and a long list of satisfied customers. Working with what associates described as single-minded determination, he expanded his company into the largest of its kind in Southern California by the time he was 18 — when he said he made his first \$1 million. When ZZZZ Best went public last year, his 53 percent stake was for a short time worth more than \$100 million. He found a girlfriend, drove a red Ferrari and appeared on television talk shows. But Mr. Minkow's rise now appears not to have proceeded as clearly as he has portrayed it. In 1985, by his own account desperate for cash, he borrowed \$400,000 from Jack Catain, a reputed organized crime member, at interest rates of between 2 percent and 5 percent a week. Mr. Catain later sued Mr. Minkow for purportedly failing to make good on an agreement to split the profits on certain work done by ZZZZ Best, which also restores damaged buildings. Mr. Catain died in February. Later, Mr. Minkow was forced to take on other joint venture partners, who usually received 50 percent of the project's profits. The Los Angeles Times reported in May that the company had fraudulently overbilled some of its

credit card customers by \$72,000 during 1984 and 1985. Mr. Minkow admitted the overcharges, blaming them on unscrupulous subcontractors that he said no longer worked with the company. But some major investors in ZZZZ Best say they believe the company needed the extra cash to stay in business. In any case, associates said, Mr. Minkow was clearly under enormous strain. While still a teen-ager, he developed bleeding ulcers, and his behavior was erratic. Still, he retained his reputation as a go-gooder in his hometown, donating thousands of dollars to community causes. "To say that Mr. Minkow is generous is an understatement," Jan-Charles Leavitt, the executive director of the West Valley Family YMCA, wrote in a letter to the Los Angeles Times after its credit card story. Law enforcement officials, however, have a darker view of Mr. Minkow. Police Chief Daryl Gates of Los Angeles said that the department had begun its investigation following the arrest of Ronnie Lorenzo, 41, a suspected organized crime figure, on a fugitive warrant from New Jersey. Mr. Lorenzo denied any wrongdoing. After questioning Mr. Lorenzo about his suspected cocaine smuggling and trafficking activities, investigators developed evidence of a conspiracy to use legitimate businesses for laundering what Mr. Gates called "huge" drug profits. The investigation centered on ZZZZ Best, one of its subsidiaries and Interstate Appraisal Services, a Culver City, California, concern. In the suit it filed against Mr. Minkow, ZZZZ Best charged that Interstate Appraisal and its presi-

dent, Thomas Padgett, had been part of a scheme to divert funds from ZZZZ Best by arranging for apparently fraudulent contracts. The extent of the link between the purportedly misappropriated funds and the suspected money laundering scheme was unclear, Mr. Gates said. Police said that participants in the suspected conspiracy also included four men with links to organized crime, and two others described as their associates. While the focus of the case has been on Mr. Minkow, it has also raised questions about why the company's board and its legal and financial advisers did not detect the purported misappropriation sooner. One board member, who asked not to be named, acknowledged this week that the company's internal investigation began only after the Los Angeles Times reported the credit card overbilling. ZZZZ Best has 10 directors.

TO OUR READERS IN THE NETHERLANDS The International Herald Tribune has recently modified its distribution system in the Netherlands to provide more timely service to our readers. If you encounter any difficulties in obtaining your copy, please contact: Editors International B.V. Burgwalweg 22 1017 CA Amsterdam The Netherlands Tel. (20) 2529 09/116 0103

SECURITY PACIFIC BANK S.A., GENEVA

A subsidiary of Security Pacific National Bank, Los Angeles, CA., announces that Mr. Henri Heriaef, having reached retirement age, will be stepping down as general manager as from July 1st, 1987. Mr. Heriaef will continue as director and vice chairman of the board. During more than twenty-five years in his capacity of general manager, Mr. Heriaef was instrumental in developing our organization into a profitable and well regarded member of the Swiss Banking Community. To succeed him, Mr. Louk de Wilde has been appointed general manager. Mr. de Wilde was for the last six years general manager of NMB Bank (Swiss) S.A., Geneva.

CAISSE CENTRALE DE COOPERATION ECONOMIQUE
LOAN OF U.S. \$50,000,000.—
FLOATING RATE NOTES 1978/1998
UNCONDITIONALLY GUARANTEED BY THE FRENCH STATE
We inform the Bondholders that the U.S. \$3,330,000.—instalment due for amortisation on August 13, 1987 has been met by a draw by lot in the presence of Madame Jeanne HOUSSE, Notary Public in Luxembourg. Consequently, the 3,330 bonds of U.S. \$1,000 numbered: 10285 to 12614 inclusive, will be redeemable at par, coupon n° 19 and subsequent attached, as from August 13, 1987, date at which they will cease to bear interest. Redemption of bonds and payment of interests will take place at the following banks: — CREDIT LYONNAIS, Luxembourg; — BANQUE TRUST COMPANY, New York; — BANQUE BRUXELLES LAMBERT S.A., Brussels; — BANQUE NATIONALE DE PARIS, Paris; — COMMERZBANK AKTIONENGESELLSCHAFT, Frankfurt; — CREDIT LYONNAIS, London; — CREDIT SUISSE, Zurich. Outstanding amount after this fourth amortisation: U.S. \$36,680,000.— The Fiscal Agent CREDIT LYONNAIS - LUXEMBOURG

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Conquest VHP in titanium and gold
Horlogerie Chronos
Rue Chantepoulet 1, 1201 Genève

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BANKING & FINANCE IN ASIA
OCTOBER
CENTENNIAL
TRAVEL IN ASIA
MACAU
FRENCH FASHION
BANKING & FINANCE IN FRANCE
TELECOMMUNICATIONS
PORTUGAL
NOVEMBER
NETHERLANDS
ITALY
CHRISTMAS SHOPPING
AUSTRIA
GOLF
EUROMARKETS
FRANCE ECONOMY
THAILAND

The International Herald Tribune
Bringing the world's most important news to the world's most important audience

Thursdays AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table A: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like ARI, AMEX, and others with their respective prices and financial metrics.

Table B: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like BRT, BTR, and others.

Table C: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like C, C, and others.

Table D: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like D, D, and others.

Table E: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like E, E, and others.

Table F: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like F, F, and others.

Table G: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like G, G, and others.

Table H: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like H, H, and others.

Table I: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like I, I, and others.

Table J: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like J, J, and others.

Table K: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like K, K, and others.

Table L: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like L, L, and others.

Table M: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like M, M, and others.

Table N: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like N, N, and others.

Table O: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like O, O, and others.

Table P: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like P, P, and others.

Table Q: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like Q, Q, and others.

Table R: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like R, R, and others.

Table S: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like S, S, and others.

Table T: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like T, T, and others.

Table U: 12 Month High Low Stock Div. Yld. PE. Lists various stocks like U, U, and others.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 9th July 1987

Large table listing various international funds such as ALMA GROUP, AMERICAN GROUP, and others, with columns for fund name, currency, and price.

Other Funds

Table listing other funds including ACCENTURE, AERONAUTICS, and others.

Floating-Rate Notes

Table listing floating-rate notes with columns for currency, rate, and other details.

DM - Deutsche Mark; SF - Swiss Franc; £ - British Pound; \$ - US Dollar; etc. Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 613595F for further information.

Large table on the right side of the page containing various financial data, including exchange rates and other market information.

CURRENCY MARKETS

Dollar Slips in Moderate Trading

NEW YORK — The dollar slipped slightly Thursday against most major currencies in New York and Europe, but its retreat against the Japanese yen was halted by a statement from the U.S. trade representative, Clayton K. Yeutter.

Table with 3 columns: Currency, Bid, Ask. Includes London Dollar Rates, Swiss Franc, Japanese Yen, etc.

The pound, alone among major currencies, lost ground against the dollar, dipping to a final \$1.6180, off slightly from Wednesday's close of \$1.6190.

In earlier European trading, the dollar was fixed in Frankfurt at 1.8351 DM, up from 1.8454 DM at the close Wednesday. And in Zurich, the Swiss franc closed at 1.5320 to the dollar, down from 1.5318 francs.

HK Gets Share-Linked Bonds for Bulls, Bears

Patrick L. Smith, International Herald Tribune HONG KONG — Banque Paribas, transplanting a fund-raising technique from the Eurobond market, introduced Thursday in Hong Kong a bond whose return is linked to the performance of the volatile local stock market.

TOSHIBA: Sales to Soviet Place Once Stodgy Company in Harsh Spotlight

(Continued from first finance page) top computers are one of the best examples. Under Mr. Saba, who became president of the company in 1980, Toshiba emerged as one of the leaders in the field.

For example, Toshiba's business in the heavy electrical machinery sector — generators and nuclear power plants — has slipped in recent years. Whereas the sector contributed one-third of revenues a few years ago, that figure is now 26 percent.

Mr. Myers said Toshiba now competes well with other electronics giants such as Hitachi and NEC Corp. "Market surveys indicate that Toshiba is holding, or gaining market share in some areas, for example, semiconductor, color televisions, air-conditioners, and personal computers," he said.

sledgehammers to smash a Toshiba portable radio-cassette recorder on the grounds of the U.S. Capitol. "Treachery by any other name is still treachery," Mr. Bentley, a Republican of Maryland, said. "But if it had another name, it would be Toshiba."

Taiwan Eases Currency Rules To Reduce Swollen Reserves

TAIPEI — Taiwan, holder of the world's third-largest foreign exchange reserves, announced sweeping changes Thursday to allow businesses to freely invest their export earnings overseas for the first time since 1949.

The new measures are intended to reduce Taiwan's reserves of \$62 billion, now surpassed by those of Japan and West Germany, and thus reduce inflationary pressures.

BANKS: UBS, Hill in Talks

(Continued from first finance page) serious player," said Peter Quinn, chairman of James Capel & Co. Sources said UBS is a white knight for Hill Samuel, which apparently feared a hostile takeover bid from its minority Australian shareholders, FAI Insurance Ltd. and Consolidated Press Holdings Ltd.

KONGSBERG: Norwegian Arms Maker Fears for Its Financial Future

(Continued from first finance page) shipments as far back as 1974 to determine whether computer technology software and military equipment made by the company had found its way to the Soviet Union. He declined to say what had prompted the reopening of the inquiry, which is in a preliminary stage.

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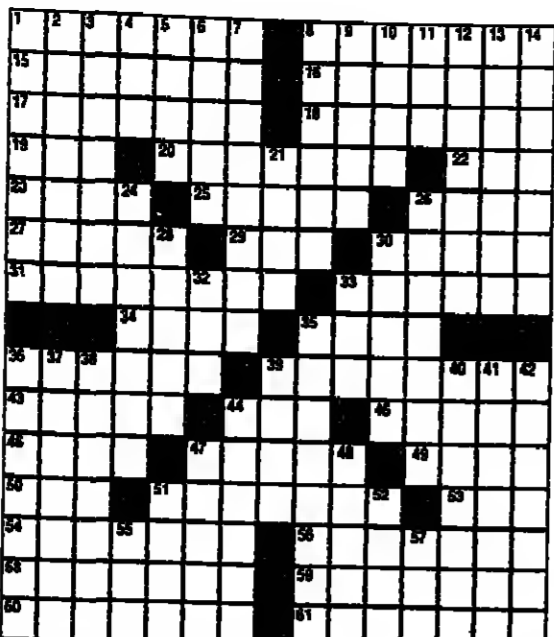
BANKS: UBS, Hill in Talks

(Continued from first finance page) serious player," said Peter Quinn, chairman of James Capel & Co. Sources said UBS is a white knight for Hill Samuel, which apparently feared a hostile takeover bid from its minority Australian shareholders, FAI Insurance Ltd. and Consolidated Press Holdings Ltd.

Thursday's OTC Prices. NASDAQ Over-the-Counter Market. 4 p.m. New York Stock Exchange.

Large table of stock market data including 12 Month High/Low, Div. Yld., and various stock prices for companies like IBM, GE, and others.

Additional OTC prices and market data, including sections for various industry groups and company-specific information.



- ACROSS**
- 1 Funder of the Holy Grail
 - 8 Tea maker for a czar
 - 15 Gorged, at mealtime
 - 16 Gallery of yore
 - 17 Collage
 - 18 Part of a plane's wing
 - 19 Levin, the writer
 - 26 Asian sheep
 - 22 Knack
 - 23 Housecar
 - 25 Acts like Caleb
 - 27 Small wild ox
 - 28 Contests in Socrates's day
 - 29 Tot
 - 30 The Bulbul
 - 31 Wallop and Bumpers
 - 32 Worry
 - 34 Robin
 - 36 Williams role
 - 38 Section of the Koran
 - 39 Feel
 - 39 Indignation
 - 39 Does over, as a kitchen
 - 43 '... that ne'er decays': Wordsworth
 - 44 Douceur
 - 45 Thread: Comb. form
- DOWN**
- 1 No messakes of a famous equestrienne
 - 2 Mean
 - 3 Land of cedars
 - 4 Heavenly
 - 5 Cur
 - 6 Range in Morocco
 - 7 Mailer's "The ..."
 - 8 Bert
 - 9 Early Greek theologian at Alexandria
 - 10 Pepper
 - 11 Money in Malmö
 - 12 Lanai
 - 13 Like lovers
 - 14 Some cars
 - 15 Assistants
 - 16 Wrestling in Tokyo
 - 17 Nail polishes
 - 18 Wears svey
 - 19 Japanese admiral
 - 20 Fine leather
 - 21 Ultramar
 - 22 On the stove
 - 23 Hungarian gypsy
 - 24 Household cleaning item
 - 25 U.S. satellite
 - 26 Decreases
 - 27 Click beetles
 - 28 Hank, of baseball fame
 - 29 Table scrap
 - 30 Sound of activity
 - 31 Composition
 - 32 Left-winger
 - 33 Summary
 - 34 Syrian dust
 - 35 Small inlets
 - 36 Ape
 - 37 Arranged in scales
 - 38 Cured stalks of grain
 - 39 Carriages drawn by bullocks
 - 40 Protein obtained from flaxseed
 - 41 Kind of nut or hen
 - 42 State tree of Me.
 - 43 Lee of the silents
 - 44 Parts of Ali's rec.
 - 45 A midwest. time: Abbr.

© New York Times, edited by Eugene Malachuk.

DENNIS THE MENACE



"BOY! HAVE I BEEN GETTIN' THE LOWDOWN ON YOU!"

JUMBLE THAT SCRAMBLED WORD GAME

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

Answers here: IT [] [] [] HIS [] [] [] [] [] []

Yesterday's Jumbles: STOK DUCAT MALLET EVOLVE
Answers: Why you shouldn't spread secrets in front of us—TIME WILL TELL.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

WHY HE LIKED TO STAND IN FRONT OF THE ELECTRIC FAN.

WEATHER

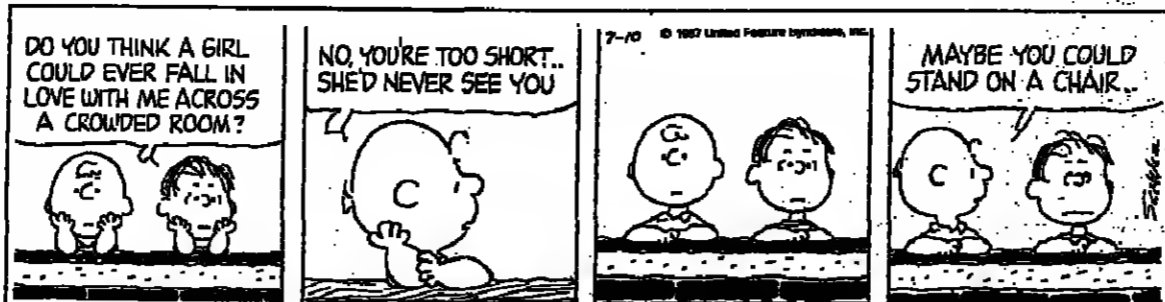
EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	27	21	Beijing	34	23
Austria	18	14	Bombay	31	24
Berlin	20	16	Brussels	28	21
Bombay	33	28	Calcutta	33	26
Buenos Aires	21	15	Hankow	31	24
Cardiff	14	11	Hong Kong	31	24
Cebu	27	21	Kobe	31	24
Dallas	25	19	London	21	15
Dhaka	31	24	Manila	31	24
Hankow	31	24	Osaka	31	24
Hong Kong	31	24	Shanghai	31	24
London	21	15	Singapore	31	24
Los Angeles	28	22	Taipei	31	24
Madrid	21	15	Tokyo	31	24
Manila	31	24	Yokohama	31	24
Moscow	18	12			
Mumbai	31	24			
New York	25	19			
Osaka	31	24			
Paris	18	12			
Shanghai	31	24			
Singapore	31	24			
Taipei	31	24			
Tokyo	31	24			
Yokohama	31	24			

MIDDLE EAST

Abuja	21	15	Amman	31	24
Algiers	28	22	Bombay	31	24
Amman	31	24	Brussels	28	21
Bombay	31	24	Calcutta	31	24
Buenos Aires	21	15	Hankow	31	24
Cardiff	14	11	Hong Kong	31	24
Cebu	27	21	London	21	15
Dallas	25	19	Manila	31	24
Dhaka	31	24	Hong Kong	31	24
Hankow	31	24	Kobe	31	24
Hong Kong	31	24	London	21	15
London	21	15	Manila	31	24
Los Angeles	28	22	Osaka	31	24
Madrid	21	15	Shanghai	31	24
Manila	31	24	Singapore	31	24
Moscow	18	12	Taipei	31	24
Mumbai	31	24	Tokyo	31	24
New York	25	19	Yokohama	31	24
Osaka	31	24			
Paris	18	12			
Shanghai	31	24			
Singapore	31	24			
Taipei	31	24			
Tokyo	31	24			
Yokohama	31	24			

FRIDAY'S FORECAST - CHAMBERLAIN: Mostly cloudy. TEMPE: 21-28. LONDON: Cloudy. TEMPE: 22-34. PARIS: Partly cloudy. TEMPE: 22-34. NEW YORK: Partly cloudy. TEMPE: 23-32. WASHINGTON: Partly cloudy. TEMPE: 23-32. LOS ANGELES: Partly cloudy. TEMPE: 23-32. HONG KONG: Partly cloudy. TEMPE: 23-32. TOKYO: Partly cloudy. TEMPE: 23-32.

PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



BOOKS

WINSOR McCAY: His Life and Art, by John Cramer. Abbeville Press, 305 Park Avenue, New York, N.Y. 10022.

Winsor McCay deserves an honored place in the history of American popular art. In the decade before World War I, he won fame as a master of the comic strip (arguably the greatest there has ever been) and, on a lesser scale, as the most imaginative early pioneer of the animated cartoon; and although he was never again to match the achievements of those years, he continued to command a wide following as an editorial cartoonist for the Hearst newspapers until his death in 1934.

After that, his name was quickly forgotten, except by specialists and a few fans. In 1966, a sampling of his work was featured in an exhibition at the Metropolitan Museum, in New York; since then, he has attracted sporadic attention from critics, and he is much admired by many of his present-day successors, such as Garry Trudeau.

John Cramer's biography (the first, unless you count one written by a newspaper colleague that has never been published) should go a long way toward putting McCay firmly back on the map. Its most valuable feature is a lavish selection of his pictures—beautifully reproduced, many of them in color. But Cramer's text is also of great interest. He satisfies your curiosity about McCay's life, sets him in the context of his times and comments perceptively on his art.

Working first in Chicago and then Cincinnati, McCay designed circus posters, drew lightning sketches in dime museums, took whatever journalistic assignments came to hand. Eventually, in 1903, he moved to New York and began drawing cartoons and comic strips for the New York Herald. The following year, he devised his first really original strip, "Little Sammy Sneeze" ("He never knew when he was coming") and "Dream of the Rarebit Fiend." The second of these, with its indigestion-induced nightmares, led on naturally to his finest achievement, "Little Nemo in Slumberland," which began publication in 1905—Little Nemo being a small boy who dreamed his way through each episode until he woke up in the final panel.

Slumberland is a world of distortions and transformations, of magic journeys and visionary architecture; a world where beds come to life and go galloping through the streets, im-

Solution to Previous Puzzle

HLIS	PSIS	CLEIF
AIM	AORTA	AIORAR
CRAZY	WEED	ROGSE
KIAROO	DIRTY	WEEB
TOLA	NOBODY	
NEWMAN	PINE	
AREG	TAT	EEGEE
PTE	PILGEE	HA
SIDER	CID	BAAR
LACE	VOELED	
REACART	NOLE	
BOSTWED	OWER	
LOTTI	CHICKWED	
OLEIC	TENSE	EEG
BIEIRIE	ETAIT	EGE

DANCE: A Very Social History, by Carol McGinnis. The Metropolitan Museum of Art, 1000 Fifth Avenue, New York, N.Y. 10028.

A witty overview of social dancing is offered by the four essays that make up this book, a set of books that should be on the floor of every library and kitchen. McGinnis writes with a light touch, but she writes with a firm hand. The book is a delight to read, and it is a pleasure to see it in the Metropolitan Museum of Art in New York, where its entertaining flavor and eye-catching format, if it were a short documentary film from a book form to accompany the usual viewer through the show.

BRIDGE

By Alan Truscott

West chose a pass, but East was not in a position to take it. South could still survive by playing the ace of trumps, but he would be likely to lose his diamond ruff.

IT IS not easy to find any "rule" that is not totally trivial and applies without exception. Perhaps this is the 12th trick if you can." But some might think this is trivial.

More interesting is a rule that has 98.99 percent validity, such as this: "With K-J-10-9, always cover the queen." If the queen has been led, it might not be necessary to cover if the fourth hand has the ace but covering would not lose.

Constructing a deal in which a defender in third or fourth seat does best by allowing the challenge. One came up in practice recently at a tournament in Iceland.

North-South reached four spades by a logical route, and

London		Paris		Frankfurt		Zurich	
Alcort	1270	Alcort	1270	Alcort	1270	Alcort	1270
Alcort	1270	Alcort	1270	Alcort	1270	Alcort	1270
Alcort	1270	Alcort	1270	Alcort	1270	Alcort	1270
Alcort	1270	Alcort	1270	Alcort	1270	Alcort	1270
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Alcort	1270	Alcort	1270	Alcort	1270	Alcort	1270
Alcort	1270	Alcort	1270	Alcort	1270	Alcort	1270
Alcort	1270	Alcort	1270	Alcort	1270	Alcort	1270

SPORTS

It's a Devilish Game in Texas

By David Maraniss
Washington Post Service
EL PASO, Texas — Is this America or what? You want baseball, hot dogs and the Stars and Stripes? How about wallball, jalisco burrito dogs and the Green Wienie Flag? Forget about Disney World, this is a real fantasyland — an ancient, bright yellow, adobe ballpark where the public address announcer sounds like television show host Bob Barker, the fans act as if they're on his "Let's Make a Deal," the pitchers complain about team stunts and score heads and the hitters — wow, the hitters!

In Dudley Dome It Never Rains but The Runs Usually Come Pouring In

bothered by the noise at Shea Stadium? And he said: "Why don't you tell your GM," the general manager, "to try some of that stuff. It might help you break even."
There remain purists who believe that Paul and other gimmick-masters have hurt the game, but they are in the minority. Last year, the Diablos won the President's Trophy as best-run franchise in the minors, and Paul's ideas have been at the forefront of a bush-league revival that, in the last 10 years, has seen about two-thirds of the 144 teams turn into money makers. Paul does not worry about how it might play in New York or Boston. It plays in El Paso.

'Every day, I look in the papers and see that somewhere there are scores of 2-1 or 3-2. Not here. You get a home run, and they give you dollar bills. You pitch a shutout and they say the pitcher can pass his hat, but who's gonna be around... I've never seen a shutout anyway.'

— Pitcher Alan Sadler

Ecceasary Ernie Riles, the shortstop the Brewers sent to El Paso for injury rehabilitation. He polices one to the top of the Green Monster, the 36-foot (11-meter) wall atop a center-field slope that keeps the canal there from flooding the field. Ever seen an outfield fence like this one? Forty-two wall, walk, double-decked from left to right, all the way around the field, colors against a garish yellow background.
Time to gaze into the visitor's dugout, the one with "ENEMY" painted on top in big bright letters. The good news is that Antonio Dodgers' manager out to the mound. His pitcher has just made up five doubles, a triple, the grand slam, two walks and eight runs in two-thirds of an inning. Not a bad outing here. His earned-run average might even go down.

Everything is topsy-turvy in the Dudley Dome. It was so named in 1978 when, night after night, rain fell on every section of the city except within the friendly confines of Dudley Field. Whenever a rainstorm approaches, the announcer says it's time to put on the dome, and he makes weird noises as an imaginary roof closes overhead. It works. Twice during the San Antonio series, rain fell everywhere but inside the dome. Play had to be stopped twice because raindrops blow from left field, but the rain never fell, and the hitters never stopped hitting.

SCOREBOARD

Baseball

Table with columns for Major League Standings (American League, National League) and Wednesday's Major League Line Scores (AMERICAN LEAGUE, NATIONAL LEAGUE).

Major League Standings

Table showing Major League Standings for American League and National League, including East and West Divisions.



Danny Jackson, the Royals' pitcher, tried to defend himself as Brett Butler leaped to the attack after dodging two pitches. The Indians again won, after another game of fights.

4 Yankees Voted To Start Tuesday All-Star Game

The Associated Press
NEW YORK — Dave Winfield, Don Mattingly, Willie Randolph and Ricky Henderson gave the New York Yankees half the starting positions for the American League in next week's All-Star Game when the fan balloting was announced Wednesday.
No other team in either league had more than two players among the starters picked by the fans. The 58th All-Star Game will be played Tuesday in Oakland Coliseum.
Ozzie Smith of the St. Louis Cardinals was the top vote-getter (see Scoreboard), getting 2,254,409 as shortstop for the National League.
Wade Boggs of the Boston Red Sox, the American League's leading hitter at .382, drew the most votes in that league, beating out George Brett of the Kansas City Royals for the start at third base.
Brett had started the last 11 All-Star Games, but Boggs drew 1,529,819 votes to Brett's 699,970.
It's a big honor, whenever you dethrone somebody like George Brett, who's been there for 11 years," Boggs said. "I think that if George was healthy and having a good year, he would be there."



Ozzie Smith: Top vote getter.

Transition

Baseball

NEW YORK — Pat Rife, outfielder, on 15-day disabled list. Received Henry Cecco, outfielder, from Columbus, International League.
DANIEL LAMM, infielder, from 15-day disabled list to 7-day disabled list.
DANIEL LAMM, infielder, from 15-day disabled list to 7-day disabled list.
DANIEL LAMM, infielder, from 15-day disabled list to 7-day disabled list.

Soccer

AMERICAS CUP
Semifinals
Chile 2, Colombia 1
Chile vs. Argentina or Uruguay
EUROPEAN CUP SOCCER
First Round
Champions Cup
Cup Winners Cup

Tennis

Pro Leaders
(through July 7)
MEN
1. Mikko Melander, 2,315
2. Stefan Edberg, 2,057
3. Ivan Lendl, 1,838
4. Andre Agassi, 1,715
5. John McEnroe, 1,620
6. Boris Becker, 1,575
7. Andre Guzman, 1,520
8. Jimmy Connors, 1,467
9. Andre Guzman, 1,467
10. Jimmy Connors, 1,467
11. Ivan Lendl, 1,467
12. Stefan Edberg, 1,467
13. Andre Guzman, 1,467
14. Jimmy Connors, 1,467
15. Ivan Lendl, 1,467
16. Stefan Edberg, 1,467
17. Andre Guzman, 1,467
18. Jimmy Connors, 1,467
19. Ivan Lendl, 1,467
20. Stefan Edberg, 1,467
21. Andre Guzman, 1,467
22. Jimmy Connors, 1,467
23. Ivan Lendl, 1,467
24. Stefan Edberg, 1,467
25. Andre Guzman, 1,467
26. Jimmy Connors, 1,467
27. Ivan Lendl, 1,467
28. Stefan Edberg, 1,467
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31. Ivan Lendl, 1,467
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39. Ivan Lendl, 1,467
40. Stefan Edberg, 1,467
41. Andre Guzman, 1,467
42. Jimmy Connors, 1,467
43. Ivan Lendl, 1,467
44. Stefan Edberg, 1,467
45. Andre Guzman, 1,467
46. Jimmy Connors, 1,467
47. Ivan Lendl, 1,467
48. Stefan Edberg, 1,467
49. Andre Guzman, 1,467
50. Jimmy Connors, 1,467

Yankees Again Trail But Again Rally for A 2d Rout of Twins

NEW YORK Times Service
NEW YORK — The New York Yankees turned a 4-3 deficit in the fifth inning into a 13-4 victory Wednesday. The night before, they had turned a 7-0 problem into a one-sided triumph by scoring 12 runs in two innings. And beneath the first-base stands in Yankee Stadium, the inhabitant of the manager's office was running out of metaphors.
Lon Piniella's team had scored 25 runs within 19 hours against the Minnesota Twins, the leaders of the American League West Division.
Which inspired Piniella, that connoisseur of offense, to say: "That's not a rally, that's an explosion."
But what else was there to say? How to describe the amazing offensive capabilities of these Yankees, the leaders in the East Division?
"Amazing, but not surprising?"
"Who should I be amazed?" Willie Randolph said.
"Who should I be amazed? You shouldn't win," Don Mattingly said.
Since they lost three consecutive home games to the Toronto Blue Jays in a series a month ago, the Yankees had won 18 of 26 games to lift their record 21 games above .500.
But the rate of production went beyond the numbers. Wednesday, a day of rest for Randolph and Dave Winfield — two of the four Yankee starters on the American League All-Star team — their team got 16 hits, four of them home runs.
Mark Salas, the catcher acquired in a trade June 7, homered as a pinch hitter with two on in the fifth inning, breaking a 4-4 tie. Paul Zulueta had his first three-hit game as a Yankee. Ricky Henderson, another All-Star, had his first four-hit game this season. Mattingly, the fourth All-Star, had his first two-home run game this year and raised his average to a season-high .326.
Mattingly, who has seemed to make his early season struggles a thing of the past, said he thought there could be an emotional link from game to game. "I think there's a momentum thing going into the game, swinging the bat well," he said. "I believe in that."

Clearly, however, the Yankees had made their point against a potential opponent in an American League championship series.
Elsewhere in the major leagues, United Press International and The Associated Press reported:
Indians 9, Royals 8: In Cleveland, for the second straight game, a bench-clearing brawl was ignited by "purse pitches," and for the third straight game Kansas City was beaten in the last inning.
Monday night, Sammy Stewart brushed back the Royals' Frank White and hit Jamie Quirk, fracturing Quirk's hand. Tuesday night, the Royals' Willie Wilson began a fight by tackling pitcher Ken Schrom. In the bottom of the fifth Wednesday, the Royals' starter, Danny Jackson, threw his first pitch behind Brett Butler and after a warning from plate umpire Tim Tschida, threw his next pitch directly over Butler's head, touching off a brawl.
Eight innings later, Cory Snyder doubled in two runs with one out to give the Indians their first three-run game since 1974. The total was the highest since 1984.
Mattningly, the first baseman, is making his first starting appearance. Mattingly is hitting .326 with 10 homers and 52 runs batted in. "It's a widespread recognition," he said. "It's not just the New York area fans that appreciate me now. It's also a great honor to be at the top with all the talent and class at the position these days."
"I'm glad I'm in it. It's an appropriate vote," Winfield said.
The starting pitchers will be selected by the managers and league officials later this week.
Oakland rookie Mark McGwire, who leads the AL with 31 home runs, topped write-in candidates with 95,498. Montreal outfielder Raines led the NL with 86,571 write-in votes. Raines started the season as a free agent and re-signed with Montreal on May 1.
A total of 5,572,493 votes were cast this year, which exceeded last year's total of 5,414,304 by more than 158,000. The total was the highest since 1984.

SPORTS BRIEFS

Van der Poel Wins Hot Race

RENAZE, France (AFP) — Adri Van der Poel became the third Dutchman to win a stage of this year's Tour de France when he won a five-man sprint to the finish Thursday in a bicycle race that saw several crashes and some riders engage in fist fights in the oppressively hot weather.
Van der Poel and the other four broke free of the pack 12 miles (20 kilometers) from the end of ninth stage, which covered 161 miles from Orleans to Renazze. Van der Poel was timed in 7 hours, 5 minutes, 54 seconds, just ahead of Roberto Amadio of Italy, Ludovic Poeters of Belgium, Theo de Rooij of the Netherlands and Dominique Gaudin of France. Switzerland's Erich Macherer did much of the work himself at the front of the pack with his Carrera teammates to retain the overall lead for the sixth day.
Six miles from Renazze, 10 riders in the middle of the pack became entangled on the small country road. Some of the trailing riders, carrying their bicycles on their shoulders, ran into the fields to get past the mass of men and equipment. Others, trying to thread their way through the pile-up, got into fist fights and at least two were knocked to the ground by angry opponents.

New Zealand Win Protested

PORTO CERVO, Sardinia (AP) — New Zealand beat the Japanese entry Bengal for a second day Thursday to win the best-of-three 12-meter yachting world championship pending the review of a protest.
A protest flag was raised on the Bengal during the pre-race maneuvering. If the protest should be upheld by the judges, the yachts would race again Friday.
New Zealand, skippered by David Barnes, crossed the finish line 2 minutes, 7 seconds ahead of Bengal, which had Colin Beesall at the helm. The race, over a 18.7 nautical mile course, was held in sunny weather with winds of up to 18 knots.

For the Record

Marvin Hagler, the former middleweight boxing champion, will pay his wife \$750 a week and can visit his children during weekends under a court approved three-month separation agreement.
The New York Knicks of the NBA, after a 12-week search, named AJ Bianchi, a former Phoenix Suns assistant coach, as their general manager and said they should have a new coach within two weeks. Bianchi replaced Scotty Stirling, who was fired along with Bob Hill, the coach, on April 20.
Mike Ditka, coach of the NFL Chicago Bears: "This is my sixth year with the Bears. Jim McMahon has been with the Bears six years, too, and people say we don't communicate. That's not true. We've talked four times." (LAT)

Quotable

Mike Ditka, coach of the NFL Chicago Bears: "This is my sixth year with the Bears. Jim McMahon has been with the Bears six years, too, and people say we don't communicate. That's not true. We've talked four times." (LAT)

OBSERVER

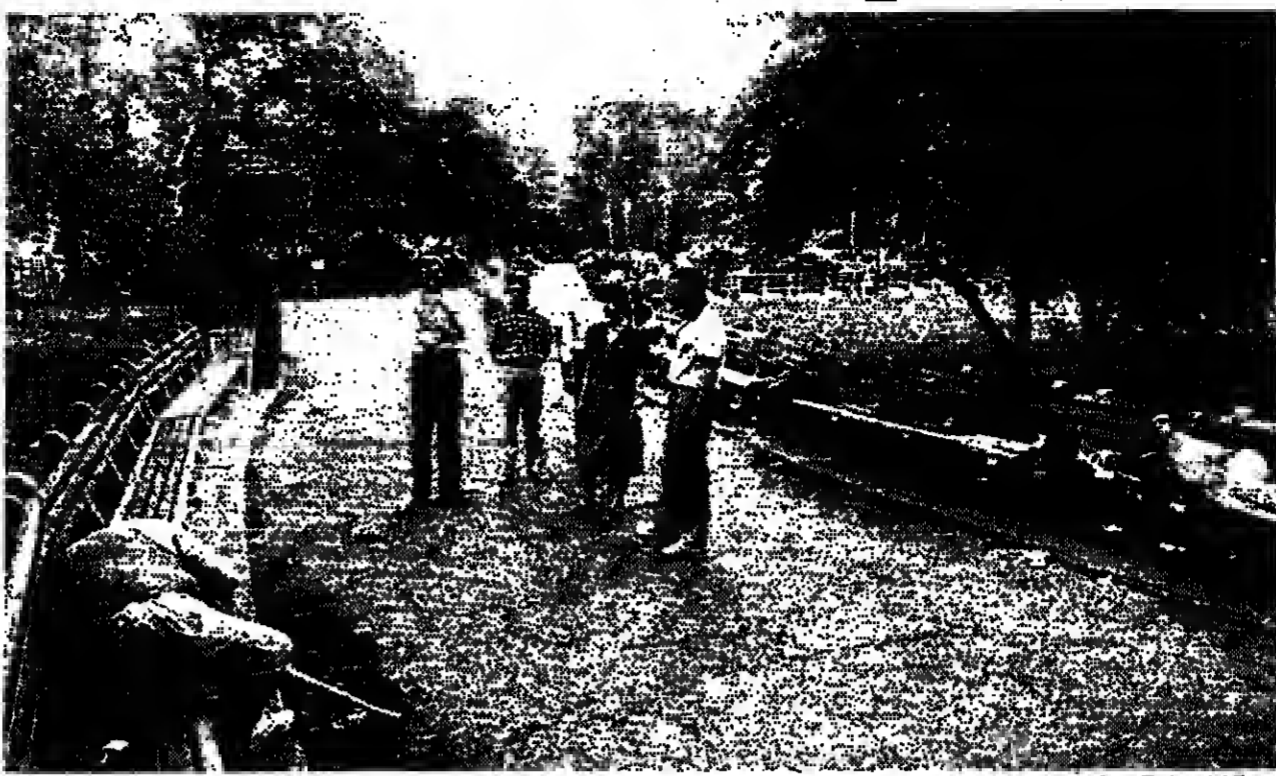
The Brilliance Scam

By Russell Baker
NEW YORK — Once again Messrs. Reagan and Meese are working the old brilliant-mid scam on the Senate...

United States would for one instant consider such a thing as — odious word! — ideology when choosing judges for the highest court in the land...

By Samuel G. Freedman
New York Times Service

Russians See the Shoot-Up Place



Russian doctors view alcoholics and addicts in New York City park.

NEW YORK — The four Soviet doctors were wearing their formal clothes when J.W. Canty, their American host, drove them to Tompkins Square Park in Manhattan...

At the next red light, Canty took his hands off the steering wheel in panic as someone in the car pointed out a man...

more stringent drinking laws, cuts in vodka production and the creation of a nationwide temperance group — and with his policy of glasnost, or openness...

psychologist, Dr. Kamppov-Polevov, a psycho-pharmacologist, and Dr. Vrublevsky and Dr. Konstantin Voronin specialize in drug and alcohol addiction.

The Empire State Building and have their photographs taken at Strawberry Fields, the Central Park memorial to John Lennon.

PEOPLE

Pontiff's Love Story

Being Filmed for Italy
A love story written by Pope John Paul II is to make its cinematic debut in Italy this year...

TODAY'S INTERNATIONAL REAL ESTATE MARKETPLACE
Appears on page 12

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